THE FINANCIAL POST
OF CANADA

The Canadian Newspaper for Investors

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THE MINORITY REPORT ON THE RAILWAY PROBLEM MUST BE FAVORED BY THOSE DESIROUS OF EFFICIENT ADMINISTRATION

Recommendation of Drayton and Acworth at Once Creates the Great Evil of Political Control.

RAILWAY OFFICIALS EXPRESS NO OPINION

Heads of the Grand Trunk and Canadian Northern Not Yet Ready to Speak—Canadian Northern Would Object to Smith Report on the Ground That it Would Cut Off Eastern Connections and the More Profitable Field of Operation.

By the report of the Royal Commission appointed to inquire into the transportation situation in Canada the great problem of the railways has been placed before parliament for solution. A majority recommendation—by Sir Henry Drayton and W. M. Acworth—favors the nationalization of all systems with the exception of the Canadian Pacific. A minority recommendation—by A. H. Smith, president of the New York Central—favors reorganization and a continuation of private administration. Either or neither of these reports may be favored by the government or adopted by parliament. Of the two THE FINANCIAL POST declares in favor of that of Mr. Smith, in principle if not in detail. It does so confident in the superiority of private administration—under reasonable government regulation—to give the most efficient and least costly service to the public and the nation and believing that of the three members of the commission, Mr. Smith was in the best position to appreciate from an unbiased standpoint the practical features of the problem, both as to what has been done and what must be done in the future.

In its attitude in favor of private operation of public utilities, THE POST recognizes that the great fundamental principle of the success of such enterprises is service to the public. This attitude taken is not a popular one, but it is sincere. Public ownership as a theory cannot be discounted. In practice it is another matter. THE POST believes that in a country like Canada, with unsettled conditions and great variety of national issues with their political reflection, and with control by politicians, who in the average are opportunists rather than statesmen, efficient administration under State control is practically impossible. In the long run the public pays for inefficiency in administration. Under public ownership the finances may be juggled in such a manner that the people are falsely enthused by direct benefits which they pay heavily for through general taxation.

To put into effect the recommendations of the majority report will mean that the government of Canada will take over and operate roads which will constitute what we are told "would be the largest system in the world with the exception of that of Germany." That such a system covering thousands of miles and endeavoring to serve a multitude of interests—political and otherwise—can be efficiently operated by the government is something which those who understand the intricacies of large administration and the looseness of political service cannot hope for. To increase the difficulties, such a system would have to operate in opposition to the Canadian Pacific, one of the most efficient organizations in the world. Either one of two things would probably happen:

If the government endeavored to compete on a basis of business equality it would by that looseness of administration which features public ownership lose large sums of money which would either show in the reports or be covered up in the national finances, thus misleading the public.

Or in order to secure a large share of business the government system, backed by misguided public opinion, would reduce rates to such an extent that the Canadian Pacific could not give that efficient service which has meant and continues to mean so much to Canada's development. Government losses could either be hidden or, if shown, made to appear as the public contribution for the boon of low rates.

And just on this point of Canadian Pacific service it may be pointed out that neither report offered the suggestion that this system be taken over by the government also. If the government can efficiently manage all the other systems which are now more or less crippled, why could it not take over the C.P.R. as well? The same report which recognizes that private ownership in one system is perfection recommends government ownership to repair the imperfections of others.

THE POST has approached Sir William Mackenzie, of the Canadian Northern, and E. J. Chamberlin, of the Grand Trunk, and other prominent railroad officials, but they decline to make public statements at this time. For this attitude there appears to be two reasons. In the first place, they are reluctant about declaring themselves on the matter at this stage; and secondly, they have not yet thoroughly considered all the phases of the reports made.

Of the two reports, the Canadian Northern and the Grand Trunk will undoubtedly favor that of Mr. Smith, but it does not follow that they will agree with all his recommendations. For instance, the Canadian Northern would be left without connections in Eastern Canada. It would have the costly business of Western Canada on its hands without the recompense of Eastern traffic which, being usually greater in volume, is the more profitable.

Sir Henry and Mr. Acworth recommend nationalization in one great system "operated by an independent board of five commissioners on a strictly business and economic basis, free from the danger of all political interference." In application so many empty words. There have been few, if any, commissions which have not been said to be "free from political interference," and few, if any, that have been free from the taint of political influence and manipulation. A Government-owned railroad is controlled by the party in power, and directly or indirectly party politics will interfere with efficiency. The evil results of party influence in making appointments, in letting contracts, in class service, in influencing unfavorable constituencies, etc., are too numerous and too well known to require enumeration.

On the other hand, Mr. Smith recommends reorganization and coordination of the systems under their present management; the taking over of the Grand Trunk Pacific with its branch lines in the West by the Can-

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NEWS OF SECURITIES.

THE FINANCIAL POST'S review of the Canadian Security Markets will be found on page 2, 3, 4 and 5, under the following heads: STEEL STOCKS, PULP AND PAPER, TEXTILES, MILLING, MINING, TRANSPORTATION, ELECTRIC RAILWAYS, LIGHT AND POWER. Other stocks, including general industrial and other securities not embraced in the foregoing groups are arranged in alphabetical order.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Steamships	38¼	38⅜
do., pref.	87⅝	86⅛
Tor. Paper	88	87
Steel of Can.	59	58⅛
Can. Salt.	133	133
Mackay, pref.	65	65
Dom. Steel	60⅛	59
Que. L. & P.	27⅛	27¾
Brazilian	40½	39⅛
Maple Leaf	106½	106½
do., pref.	94½	94½
War Loan, 1937	95	94¾
Hamilton	191	191
N.S. Steel	94	94
Royal	213	213
Pacific Burt.	38	38
do., pref.	80	80
Span. River., pref.	51	51

Toronto, Ont., May 3rd, 1917.
THE FINANCIAL POST,
Investors Information Bureau

Dear Sir,—Your favor of the 1st inst. supplementing that of the 26th ulto. to hand, and I wish to thank you for your kind consideration of my inquiry. This is the first occasion I have had to use the "Investors Information Bureau" and I may say that both the promptness and fullness of your reply have surprised me, and I believe that this feature alone is worth the subscription price of THE POST.

Very truly yours,
H. C.

BUSINESS TAKES A MORE SERIOUS VIEW OF THE WAR

Submarine Menace Mentioned as Reason for Market Weakness.

WAR TAX NOT SERIOUS

Industrial Captains Accept Burden in a Philosophical Manner—Has effect of Restricting Paper Development.

The securities market during the past few days has shown the effects of the realization of the plain truths about the seriousness of the German submarine menace, and the internal strength of Germany and internal dissensions in Russia. As THE POST has several times pointed out, the probability is for a longer period of war than generally anticipated. This opinion is now being more generally accepted in business and financial circles. However, the actual business outlook is not seriously affected. While the war lasts there will be a strong demand for foodstuffs and for military supplies. The recent disquietude represents uncertainty as to what strain may be caused by conditions in America more approaching actual war than any yet experienced, uncertainty as to what the extent of war taxation may be, and uncertainty as to the extent to which trade with Europe may be interfered with should the submarine menace become more acute.

Reports show little change in business conditions, although the rising prices of commodities are creating more and more industrial problems and the advance of foodstuffs and of the manufactured products to the consumer is checking consumption. Still, so long as high prices prevail for our natural products, and there is a demand for labor at high rates, the buying power of the public should continue at a high level.

The New War Taxes.

The executive heads of the various companies which are likely to be affected by the increased profits taxation imposed by the Government, are accepting the situation in a philosophical spirit. Some of the pulp and paper concerns will be hit very heavily, and it is felt that their proportion of the war expenditure will, under the new conditions, be rather heavy. For instance, on the basis of the company's present earnings, the contribution of the Riordan Pulp and Paper Company, for this year will be approximately a million dollars, as compared with $200,000 for the past year. One regrettable result, which it is feared will follow the imposition of the addition taxation will be a cessation of construction and pulp and paper men appear to be a unit in the belief that capital will fight shy of this industry in the future. Already one company has announced that this is regarded as a very unfortunate eventuality, as the development of the pulp and paper industry in Canada means a great deal to the future prosperity of the country. Canada has a leading position in this line now, and a great export business has been built up.

It is felt that lack of construction will have a tendency to keep the price of paper high for many years, on account of the inevitable shortage which will follow the failure to keep pace

Continued on page 7.

GOVERNMENT ACTION BEING DEMANDED BY PEOPLE OF CANADA

QUESTIONS arising out of the wet canteen and drinking in the army are being freely and earnestly discussed throughout the Dominion; but the House of Commons, after the acrimonious debate of last week, has dropped the matter. Sir Edward Kemp promised to get information from England and it may be that the House is waiting until this information arrives. It will be a long wait. Sir Edward told the House that a previous request of his for such information had not been answered. And, in any case, why should it be necessary to send for information on this vital, burning question as though it were a mere matter of detail or a question of dry statistics? Here is a question of tremendous import, that reaches to the very roots of national welfare. And the Government waits to be interrogated and then promises to write for information!

THE FINANCIAL POST has already explained the reason why it felt called upon particularly to publish the article by Capt. Goforth. THE POST felt it was the duty of a paper going to business and financial men to show how this evil was being allowed to live in the interests and because of the influence in Britain of the distillers and brewers, which was resulting in the consumption of huge supplies of foodstuffs and spreading disease that will affect Canada and the Empire for generations to come and which, finally, will compel us in Canada to pay millions in unnecessary taxes for years to come.

THE POST now feels impelled to go a step further and to state that the article was published in the hope that the Government of Canada would realize the gravity of the situation and go to the length of publicly telling the British authorities that the people of Canada, who have voluntarily adopted prohibition in order to help win the war, object and object very strongly to the continuance of the drink evil in Britain, not only because it is holding the Empire back from exerting its full powers, not only because it is keeping thousands of men from the firing line when our generals are praying for more and consuming too large a share of the meagre supply of foodstuffs, *but because our troops are suffering from the evils which the British Government still tolerates.* Surely this would not have been too strong a stand for our Government to take!

But, instead, the country witnessed the humiliating spectacle of members, on both sides of the House, including cabinet Ministers, dealing with this life and death problem from a purely party standpoint; and from the standpoint of low, ignorant, war politics, at that. The broad national and humanitarian aspects were overlooked and members spoke not to save the country from irreparable loss and our armies from debasing temptation, but purely to serve party ends.

And that is where the matter rests to-day. The Government should have been sufficiently informed to deal with the question at once, but Sir Edward Kemp has shown a willingness to investigate and THE POST desires to urge strongly that information be secured covering the following points:

(1) What is the average number of troops that Canada has kept overseas since the First Contingent landed in England?

(2) How many convictions for drunkenness have there been?

(3) How many cases of venereal disease have there been?

(4) How many working days have been lost through venereal disease?

(5) What percentage of those who have had hospital stoppages for venereal disease have also been convicted of drunkenness?

THE POST believes that these figures will prove that drunkenness is a primary cause of the ravages of venereal disease; and, although the point has not heretofore been emphasized, the question of disease is the most serious of all.

All the information required is readily available in the Canadian Record Offices in London and Rouen and can be obtained in a very short time by actual count. THE FINANCIAL POST urges the Minister of Militia to call for the figures by cable, and there is no apparent reason that they should not be laid before the House within a week.

The main issue has been clouded by the discussion of the relative merits or demerits of wet and dry canteens. The line of cleavage is not between the wet and dry canteen; it is between license and prohibition. Efforts also were made to cloud the issue by aspersing the motives of Captain Goforth. Is it necessary to do anything further to prove his sincerity and his ability to speak authoritatively than to point out that he is a thoroughly efficient officer and has been through the mill from the day war broke out and that his sense of duty to his country is so high that he has now incurred the danger of decapitation by the high commands in order to speak out? Captain Paul Goforth was, prior to the war, engaged in home mission work. He is a son of the famous missionary, Rev. Jonathan Goforth, who served in China for twenty-seven years.

BUILDING WOODEN SHIPS ON THE PACIFIC COAST

First of Nine Vessels Contracted For Has Already Been Launched.

The difficulty in obtaining steel for ships, the difficulties and delays in obtaining engines and boilers, the scarcity and consequent high price of coal, and the scarcity of labor, as well as the important problems of feeding crews, in view of the great food shortage all over the world, have brought about a situation which bids fair to make the sailing ship a successful competitor of the steamship for some time to come.

An outstanding example of the foresight which is being shown by Canadians in this respect is the enterprise of the Canada West Coast Navigation Company, who have been for some time building on the Pacific Coast, with feverish energy, a fleet of handsome auxiliary schooners, some of which are already completed, and have taken their places in the ocean-carrying trade.

The first of these schooners has already been launched. She is a five-masted, bald-headed fore-and-aft schooner, with auxiliary motor power. These vessels carry about 17,000 square feet of canvas, and are fitted with twin Bolinder engines aft, each engine of 150 horse-power, and driving twin screws. The vessels are built to highest class in Lloyd's register, and are of the following dimensions: Length of keel, 225 feet; breadth, 44 feet; depth of hold, 19 feet. The vessels have a storage capacity for fuel oil of about 800 barrels, and are of the average speed of about seven and a half knots. The vessels are 2,500 tons deadweight, and will carry cargoes of 1,600,000 feet of lumber from British Columbia.

The Canada West Coast Navigation Company is composed of gentlemen from different parts of Canada, from Montreal to Vancouver, and the enterprise was started over a year ago, so that full credit is due them for their foresight in risking their capital in this enterprise, which will prove of material assistance in the solution of the tonnage problem that is being created.

The immediate plans of the company call for the building of eight more of these vessels.

The Railway Committee at Ottawa gave two years' extension to complete the undertakings of the Montreal Tunnel & Terminal Company, Lachine, Jacques Cartier & Maisonneuve Railway and the Northern Colonization Railway. It was stated that the Mount Royal tunnel would be completed by November at the latest.

GOVERNMENT SHOULD NAME TRAFFIC MAN

Master of Transportation Badly Needed in Canada.

WOULD PREVENT CONGESTION

System Has Worked Splendidly in England—Montreal Harbor Board Has Official With Similar Powers on Wharves.

(By Thomas Robb, Manager and Secretary of the Shipping Federation of Canada.)

Canada needs a Master of Transportation. I do not believe that the congestion on the railways, which has caused such serious loss and inconvenience to the commercial and industrial interests of the country the past year, will ever be relieved until an official with full power to regulate the traffic on the various lines has been appointed. The British Government early in the days after war broke out, dealt with this problem in the manner suggested, and the results have been very satisfactory. It is intolerable that the present situation should be allowed to continue. The economic loss to the country is heavy, and could to a large extent be avoided by enforced co-operation between the various lines.

What England Has Done.

The Master of Transportation in England has absolute power over the routing of traffic. If he finds that one line has more business than it can conveniently handle, while another line has less than it can take care of, he switches the traffic from the busy line to the idle one. The result is a greatly improved service for all concerned. I am only suggesting this as a war measure, and would not for a moment think of proposing that this official should have any control or direction of operation. His duties would be confined to the supervision of the movement of traffic for the convenience of the public.

How It Works in Montreal.

The Montreal Harbor Board has an official whose duty it is to handle all the railway traffic on the wharves. This prevents any clashing or discrimination in the delivery of goods to the vessels. If there were a similar official with the authority of the Government at his back, to control the traffic on the railways, there is no reason why the home traffic, as well as the export business could not be handled to the advantage of all concerned. In England, the Master of Transportation has the power to take rolling stock and put it in the terminals that require it.

Steps should be taken by the Government to prevent a recurrence of the conditions of the past winter. Sailings have had to be countermanded and steamers have been held up because the railways did not deliver the freight to them.

STEAMSHIPS DIVIDED.

Matter Will Be Considered At Meeting on Wednesday.

The Montreal representative of THE POST wires that he hears on good authority that the directors of Canada Steamships Lines are likely to declare the five and one-quarter back dividends on the preferred stock at the meeting on Wednesday next. It is possible, but not probable, that the common dividend may be decided at the same time.

PULPWOOD PRODUCTION.

Statistics of 1916 Bearing Upon the Paper Industry.

Figures submitted to the FINANCIAL Post by R. H. Campbell, director of forestry, indicate the effect of the increased demand for paper upon the pulpwood and wood pulp industries of Canada during 1916. The cut of pulp wood in 1916 amounted to 2,802,433 cords, compared with 2,355,500 cords in 1915, an increase of some 20 per cent, while the value increased from $15,590,330 to $19,826,643. At the same time the manufacture of wood pulp increased from 364,170 tons to 558,899 tons, or nearly 54 per cent. The increasing proportion of wood pulp in relation to pulp wood production is a favorable industrial indication.

BANK OF MONTREAL
Established 100 Years (1817-1917)

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,414,423.
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Established in 1836 Incorporated by Royal Charter in 1840
THE BANK OF BRITISH NORTH AMERICA
Paid-up Capital - $4,866,666 Reserve Fund - $3,017,333
Statement to the Dominion Government (Condensed)
31st March, 1917.

LIABILITIES TO THE PUBLIC.

Notes in Circulation	$ 5,430,930
Deposits	52,289,988
Other Liabilities	1,205,354
	$58,926,272

ASSETS.

Cash on Hand and in Banks	$ 9,713,276
Deposits with Government on account of Note Circulation	1,385,694
Government, Municipal and other Securities	13,004,476
Call and Short Loans	5,536,616
Current Loans and Discounts and other Assets	37,240,237
Bank Premises	2,312,121
	$69,192,420

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Subscribed Capital	$111,677,782.94
Paid-up Capital	23,266,202.34
Reserve Fund	19,466,400.00
Deposits (31st Dec., 1916)	$849,809,215.41
Cash Reserve	233,468,740.28

Sir EDWARD H. HOLDEN, Bart., *Chairman.*

THE
STANDARD BANK
OF CANADA
HEAD OFFICE - TORONTO
A GENERAL BANKING BUSINESS TRANSACTED
SAVINGS DEPARTMENT
AT ALL BRANCHES
EST'D 1873

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Capital Paid Up - - $4,000,000
Reserve Fund - - - 4,800,000
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NEWS OF SECURITIES—Some Further Declines

STEEL

Market Still Quiet and Dull, With Little Trading Interest Shown.

By P. Bain, M.E., Editor Canadian Machinery.

Trading has again been quiet and featureless this week, with the public still showing lack of interest in steel securities. The inactivity is apparently due to the uncertain outlook and situation in New York, where the market is awaiting developments in the American Government's war financing. The prevailing dullness does not necessarily indicate weakness, but no marked appreciation in stocks is likely until the international situation assumes a more settled and favorable aspect. Fluctuations have been narrow in the steel group. With possibly one exception, Dominion Steel Foundry, the standard of prices at the close of the week was practically the same as at the beginning. The break in Dominion Steel Foundry stock followed the announcement of the additional tax on war profits, and affected this concern because it is engaged, at present, exclusively on war business, and also because of the speculative nature of the stock.

The new taxation has not as yet had any appreciable effect on the market, with the above mentioned exception. In considering this feature of the situation, a fact that must be taken into consideration is the favorable position of the steel companies, which have all experienced a remarkable turn of business during the past two years, and as a result, are well supplied with funds. These concerns, which are affected by the tax have made heavy profits and are thus in a fairly good position to stand the new burden. A considerable proportion of these profits will not be affected by the new tax, as it only applies to profits made after Dec. 31, 1916; that is to say, profits earned before that date are not subject to the new tax.

The steel companies are in a flourishing condition and have all the business they can take care of for the balance of the year. The outlook continues favorable and earnings promise to be large. Recent developments in the steel market seem to indicate that prices will continue to advance indefinitely. The fixing of prices on steel products for the American Government has not caused any cessation in the upward movement; in fact, the tendency is all the other way now that the Government's purchases of steel are becoming more clearly defined. The expectation that the Government will ultimately require considerable tonnages of steel at a time when the mills are in a sold-up condition, is giving a fresh impetus to the market and forcing prices up. Generally speaking, the extraordinarily high prices on steel products are not curtailing demand as much as might be expected, due principally to the fact that a large proportion of the tonnage is required, either directly or indirectly for war purposes. Consumers who can wait for their material are staying out of the market until conditions become more favorable both as to price and delivery. In regard to deliveries in Canada, the situation is becoming worse, especially on steel imported from the States, where congestion at the mills is getting more acute as the demand becomes more insistent. Steel for ordinary purposes is scarce, as the entire output of domestic mills is bespoken by the Imperial Munitions Board.

The situation in the pig iron market remains unchanged. No prices on domestic iron are obtainable, and available supplies are extremely light. At Buffalo, practically the same prices as prevailed last week are still current, ranging from $42 to $45, according to the ability of the furnace to supply material, and without much difference as to grade.

	Close April 26	Close May 3	Change
Can. Car, com.	28½	28	— ½
Do., pref.	71	69	— 2
Can. Loco.	60	59	— 1
Dom. Steel	61½	59	— 2½
N.S. Steel, com.	91	91	..
Steel of Can. com	61	57¾	— 3¼
Do., pref.	92	93	+ 1
Russell, pref.	105	100½	— 4½

DOMINION STEEL.

The date for the holding of the annual meeting of the Dominion Steel Corp., has not been decided upon as yet, but it is not unlikely that the meeting will take place about the middle of June, as was the case a year ago. The auditors are now at work preparing the figures for the financial statement, which are certain to prove most attractive to the shareholders.

Greenshields & Co. point out that the statement of the Dominion Steel Corporation for the year ended March 31, 1916, showed an excess of current assets over current liabilities of about $7,000,000, which is just the amount of the company's senior security, the six per cent. cumulative preferred stock. Last year the company's earnings amounted to over fifty per cent. on this preferred stock, and since the stock was issued, earnings have averaged five times the amount necessary to pay the dividend. The common has not varied from the closing price of 61.

CANADIAN CAR.

THE FINANCIAL POST understands that the Canadian Car & Foundry Co. has extensive car orders in sight for Canadian transportation companies. The negotiations have not been completed yet, but the prospects are that the orders will be in hand shortly. The company is also after foreign business. The New York tangle is being gradually straightened up, and a final statement will be made shortly. The common was up half a point to 29 on Wednesday, while the preferred was off half a point to 70, as compared with last week's close. Earlier in the week, a couple of small lots of the preferred sold at 71, half a point up from last week's close.

FOUNDRIES & FORGINGS, LTD.

From having been one of the most spectacular performers on the Montreal Stock Exchange, Canada Foundries & Forgings has relapsed into a state of inocuous desuetude, in a market sense. No transactions have taken place for a couple of weeks, but there is no diminution of the company's profits. The output of forgings and other products of the company is increasing all the time, and the various subsidiaries are in a very healthy condition.

NOVA SCOTIA STEEL.

THE FINANCIAL POST hears that the output of the plants of the Nova Scotia Steel & Coal Co. for the first quarter of the present year was fully up to the best of any quarter in the past year. Orders on hand ran into large volume, and on May 1 were reported to be sufficient to keep all departments fully employed for the balance of the fiscal year at least. Lately interest has centred largely in the operations of the Eastern Car Co., the subsidiary of the Nova Scotia Steel & Coal Co., which THE POST understands, has greatly improved its position since the beginning of the company's new fiscal year. Shipments for the months of January, February, March and April, were equal to 75 per cent. of the whole output for 1916. It is expected that this rate of production will be steadily increased from now on, and THE POST is informed that the contracts that the Car Co. now has on its books are of a very profitable character. The improved situation as regards the Eastern Car Co. has been reflected in the increasing strength shown by the stock this week, the common showing an advance of seven points over the low touched last week.

ONTARIO STEEL PRODUCTS.

A few small lots of Ontario Steel Products common changed hands in the Montreal Exchange this week at 22½. The Montreal shareholders have been unable to get very much information as to the progress that is being made by the company, but we understand that the financial statement that will be submitted for the year ending in June, will be the best in the history of the company. There is at the present time a very keen demand for all the products of the company, but particularly for shovels, spades, and axles.

The improved prices that have prevailed for these lines the past season, will be reflected in the company's profits. The net earnings of the company for the past year were $152,018, after making provisions for depreciation, while a balance of $72,893 remained after the preferred dividend distribution. The arrears of dividends at the end of the company's last fiscal year amounted to 7¼ per cent. It is considered quite likely that a portion of the arrears will be wiped out this year.

DOMINION BRIDGE CO.

The Department of Railways and Canals has placed a contract with the Dominion Bridge Co. for 2,500 tons of structural steel for two piers and pier sheds to be constructed at Halifax harbor. The steel will be furnished by the Bethlehem Steel Co. Bids have also been asked on 3,000 tons of structural steel for pier sheds at Quebec, but no award has been made yet. Recent bids on the construction of the second unit of the Eaton department store at Toronto, requiring 12,000 tons of steel, were so high that it was decided to postpone the placing of the contract. The contract for the first unit was placed with the Dominino Bridge Co. in February last, and the steel was ordered from the Bethlehem Co. at $100 per ton, the highest price ever paid for steel used in the construction of a mercantile building. Eventually five units will be built, requiring 50,000 to 60,000 tons of steel.

It is quite probable that the Dominion Bridge Co. will be turning out marine engines within a comparatively short time. Work is proceeding in a very satisfactory manner on the big span for the Quebec bridge. There have been no transactions in the stock this week. The closing price last week was 128, which was 42 points down from the high of this year.

DOMINION STEEL FOUNDRY.

A sharp decline was recorded in Dominion Steel Foundry stock after the new war profits tax was announced. The common stock which sold at 160 before the news was out, was afterwards offered 10 points lower at 150 with 125 the best bid.

STEEL COMPANY OF CANADA.

Dividend cheques for 1¼ per cent. on Steel Company of Canada 1 per cent., being for the quarter ended March 31 and ½ per cent. bonus, have been mailed to the shareholders also cheques for the dividend of 1¾ per cent. on the preferred.

CANADIAN LOCOMOTIVE.

THE FINANCIAL POST understands that the profits of the Canadian Locomotive Co. have been so large that it has liquidated all its floating liabilities. A dividend on its common stock is believed to be within the possibilities of the not far distant future. The company is assured of good business after the war, as the Canadian railways are short of locomotives. The stock, which closed at 60 on the Montreal Exchange, was down fractionally to 59¾ on Wednesday.

UNITED STATES STEEL.

The wonderful showing of United States Steel in the first quarter of the current year can best be illustrated from the fact that the surplus of $69,836,981 after all charges, including dividends, is sufficient to pay regular dividends of 5 per cent. annually on United States Steel common for a period of nearly three years. The surplus after dividends for the year 1916 was $201,835,000, and this, added to the surplus for the first quarter of this year, gives a total of $271,669,000, sufficient to pay dividends on the common stock at the rate of 5 per cent. annually for a period of nearly ten years. In considering the quarterly earning statement of the United States Steel Corporation particular attention should be paid to the monthly changes in earnings, which in January, were $36,074,425, in February $33,416,117, and in March $43,630,422.

These monthly earnings reflect closely the effect on the corporation of the railroad car shortage. In January the corporation was compelled because of the car situation to reduce the operations of its finishing mills to around 75 per cent. of full capacity, while in February, in which month earnings were the least of the quarter, finishing mills operations fell to nearer 65 per cent. The decline in February was also due to some extent to the obvious fact that the month is a short one. In March, with an improving railroad situation, the corporation was able to increase finishing mill operations to an average of about 80 per cent., with the result that earnings jumped over $10,000,000 over those of February.

TEXTILES

A Quiet Market for Securities and Continued Easier Tendency of Prices.

By H. H. Black, Editor Dry Goods Review.

The same tendency to slightly easier figures and fewer transactions that characterized the textile market one week ago was repeated this week, but this merely reflected the general stock market. For the first time an annual report that will show a decreased output over the previous year is foreshadowed by a company whose unusual labor difficulties have been referred to on several occasions by FINANCIAL POST. Even in this one case, however, the net profits are stated to be at least as high as in the previous year.

The position taken by FINANCIAL POST for some months past, that an attitude of caution will be the feature of wholesale and retail buying of both cotton and wool textiles for the future, owing to extreme high prices, is justified by reports from the commercial agencies and also by statements made to THE POST by a representative of a company whose fall prices were announced a week or so ago. Both bear out the stand taken in these columns as to the inevitable trend of buying from now to the end of the war, and even after that, until more permanent trade conditions are established.

Fortunately for the interests of all branches of trade the cotton markets show a dogged tendency to resist any definite and steady upward movement. While, compared with one week ago, the average price both for spot and futures is slightly higher, fluctuations are occurring every day. The market on Thursday of this week, for instance, broke $2.50 a bale, on a combination of factors that are working to depress prices: more favorable crop conditions, greater submarine activity or more definite word of its present success, and more elusive peace rumors. The fact that every announcement of an approach to peace sentiment on the part of the Central Powers tends to make the raw market jump to higher levels indicates what is coming gradually to be a widely held view, that after a temporary relapse, cotton will, at the close of the war, rise to very high prices, owing to a phenomenal demand from European countries that have long been barred from shipments.

CANADIAN CONVERTERS.

The fiscal year of the Canadian Converters Company closed on April 30th, and the auditors are now at work on the figures. While no exact information will be available until the annual meeting, J. H. Roy, one of the directors of the company, informs the FINANCIAL POST that the sales for the year just closed show a very substantial increase over the previous year. The company goes into the present fiscal year with orders enough on its books to keep its factories busy for six months. What the last six months has in store for the company, of course no one knows just now, but the prospects cannot be regarded as other than bright. The annual meeting of the company will be held in June. There were some 50 sales of stock at 41, the same figure as obtained since the latter part of March.

CANADIAN COTTONS.

The FINANCIAL POST understands that the financial statement of the Canadian Cottons, Limited, which is now in the course of preparation, will show profits approximately the same as those of last year, but the turnover will be somewhat less. The explanation of the apparent falling off in output is found in the fact that the previous year's figures included the proceeds of goods that had accumulated during the quiet times preceding the war. The sales this year will be around the $5,000,000 mark. The auditors have been at work on the figures for some time, and the statement will be in the hands of the printers within a very short time. For the year ending March 31, 1916, the net surplus of the company was $277,158, or equivalent to about 10.20 on the $2,715,000 common stock. The common was put on a 4 per cent. basis last year, and it is not anticipated that there will be any change.

The mills have large orders on hand that will keep them working at full capacity for several months. The preferred remained steady this week at 78 and the common at 51, with little offering.

DOMINION TEXTILE.

The financial statement of the Dominion Textile Company for the fiscal year ending March 31, will be considered at a meeting of the directors on Monday next. The FINANCIAL POST understands that the statement will be the best in the history of the company by a considerable margin. The sales will average over a million dollars a month, and the earnings will be very satisfactory. The company has attained a remarkable production in the face of trying labor conditions, and difficulties with regard to raw material supplies. The management of this great textile corporation is regarded as being very sound as well as progressive, and still greater expansion is expected in the future. The company will carry over into the current fiscal year large unfilled orders, while the current sales are also very satisfactory. The company was obliged to decline the opportunity to figure on large orders for the United States government as it was felt by the directors that the home market should be looked after first. The earnings of the company last year, after deduction for repairs and improvements amounted to $980,572, while after paying bond interest, and preferred and common dividends, there remained a balance of $326,608.

The New Fall prices, though running between 10 and 15 per cent. higher than those in force now for Spring and Summer have been well received by the trade. A representative of the company told FINANCIAL POST on Thursday that "the orders are representative and in fairly good quantity, though not tremendously heavy. This is partly due to the fact that the trade are pretty well stocked up, and have still large quantities on order with us at our old and lower prices undelivered. The response however shows that the trade feels safe in ordering at present prices and that there is no belief that prices will be lower for a long time. The jobbers, as the retailers, will continue to be cautious in the face of the high levels to which all prices have advanced."

General Manager Daniels has been visiting the Magog factory this week.

The preferred which achieved a new high point for the year, 105, opened at this again but later dropped to 102. Common was traded in at 83, the transactions being more than in any other week so far this year.

MONARCH KNITTING.

A few sales of common were put through at the week end at 40, the price which every sale this year secured. Preferred has been motionless for the last three weeks, the last sale being at 80.

MONTREAL COTTONS

The Montreal Cotton Company has installed a new automatic loom which is giving splendid satisfaction. Several others of the same type will be installed as soon as the equipment can be obtained. The company's ouput will be increased materially by this new and modern equipment. The plant for the manufacture of surgical gauze has not been received yet, but it is expected shortly. This will be the only gauze plant in Canada. Business continues brisk with the company, and no indications of any let-up are apparent yet. The common, which opened at 51 last week and advanced a point to 52 held again this week, while the preferred advanced from 101½ to 102. The transactions were light.

PATON MANUFACTURING.

The mills of the Paton Manufacturing Company are now back to the regular fifty-five hour weekly shift, having completed all the government orders on the books. President John Turnbull, informs the FINANCIAL POST, that orders are coming in in very satisfactory volume from the trade, and he looks forward to a successful year. Mr. Turnbull expects that wool prices will continue high throughout the year. Getting an adequate supply has been something of a problem, but the government has recently announced that the Canadian manufacturers will be permitted to get a portion of the New Zealand and Australia clip which was commandeered. A factor which has been of advantage to the Canadian mills such as the Paton Company, is the difficulty that wholesalers are finding in getting goods from the Old Country. The securities of the Paton Company have made a few spasmodic appearances on the Montreal Exchange recently, a twenty-five share lot having changed hands at 130 this week. This has been the ruling price for the stock for some time.

PENMAN'S.

In discussing the investment possibilities of the common stock of Penman's, Limited, Greenshields & Co., in their monthly review say: "For the past five years this company has earned an average of eighteen per cent. against this stock. In 1915 the earnings were twenty-seven and three-quarters per cent., last year were thirty-one per cent., and this year promise also to be large. The company, however, pays a dividend of only four per cent., with a bonus of one per cent., and the stock sells for only about $72 to $73 per share. The board is very conservative but there is such a wide margin for increased dividends and such a long record of large earning power and past profits invested back into the company that the hope of higher dividends in the future is quite reasonable. It will doubtless sell at over par whenever the directors embark upon a more liberal dividend policy in which they would be amply justified at any time."

There was some activity in the common this week with sales starting at 70 and advancing to 71. Even the latter shows a shading off as compared with prices ruling the past month, 72 to 73½. There were no sales of preferred, the last being at 82.

MILLING

Securities Market More Active, But Mixed Tendencies as to Price Developments.

By J. L. Rutledge, Editor Canadian Grocer.

There has been considerable activity evinced during the past week in leading milling issues, with mixed price tendencies in evidence. The week has been one of many surprises in the grain trade. The effect of the action of the Government and the censorship imposed on the Exchange at Winnipeg to curtail speculation in wheat futures. While this had a temporarily depressing effect, the market soon rebounded and on Monday of this week reached $2.70⅝ for cash wheat. Though there was a slight decline following this, Wednesday of this week saw another jump to $2.80½. Flour has followed along handsomely in the wake of advancing wheat prices. Slight advances early this week were followed by a sensational advance of $1.20 on Wednesday, which brings Toronto flour prices for Manitoba first patents, $14.40.

Of recent date there has been a considerable quantity of Ontario flour finding its way into the United States mainly to Buffalo and other points in New York State. A considerable quantity of Ontario wheat has also been finding its way across the border.

There is a great deal of strength evidenced by the cereal market. Large buyings of rolled oats bought by the War Office for May and June delivery, have had the effect of strengthening these commodities.

The demand for mill feeds from the United States has resulted in a marked stiffening of these prices.

LAKE OF THE WOODS.

This stock continued to live the quiet life during the past week. There has been no sale in the preferred since January last when the only sale of the year was made at 116. The common has shown some slight activity some 25 shares having changed hands at 26 which has been the ruling figure for some time.

MAPLE LEAF.

There is a general decline in the trading in this stock of recent date, although there is still a considerable activity. On Friday of last week the sales totalled 50, with a selling quotation of 107. This declined to 106 in Monday's trading. The preferred too showed a slight tendency to decline. Friday of last week showed a selling price of 95. In Tuesday's selling the price went from 94¾ to 94¼ while the following day's trading brought the price back again to 94½.

OGILVIE.

This stock is showing renewed activity. There has been a gradually increasing activity in this stock for some days past with a tendency toward strength. Friday's sales of last week were made at 43 while Wednesday of this week with a greatly increased sale showed an advance to 45. In the preferred there has not been a great deal of activity though there were some sales made on Tuesday at 112.

SHREDDED WHEAT.

There has been no recent activity in this stock. The last sale noted in the common was at 135 and in the preferred at 95.

ST. LAWRENCE FLOUR.

The declaration of the regular quarterly dividend of 1¾ per cent. by the directors of the St. Lawrence Flour Mills Company for the quarter ending April 30th has reminded financial circles that this company is doing very well. A. E. Labelle, the managing director, informs THE FINANCIAL POST that the company is running to its full capacity. The earnings for the first three months will compare very favorably with those of the last three months of last year. Mr. Labelle regards the present wheat situation as very dangerous, and says that the company is not pushing flour sales at the present time. There is no immediate prospect of any dividend being paid on the common, which is offering on the curb at 30.

PULP AND PAPER

Condition of Stagnation Prevails, With Transactions in Both Markets At a Low Ebb.

By W. A. Craick.

After last week's reaction in Riordon and Wayagmack, the market has settled into a condition approaching almost absolute stagnation. Transactions in several pulp and paper stocks have been reduced to the vanishing point and in others to exceedingly small dimensions. Such selling as has developed has been at weakened prices. The change for the week is clearly illustrated by the following schedule, which shows a further drop in the values of seven stocks of nearly eight points.

	Close Apr. 26	Close May 3	Change
Laurentide . . .	183	183	. . .
Riordon	114¾	114⅛	— ⅝
Spanish, Com.	16½	16	— ½
Do., Pref. . .	54¾	50¾	—4
Wayagamack .	75	73	—2
Brompton . . .	50¾	50	— ¾
North Amer. .	5⅛	5⅛	. . .
Net change 7 stocks			—7⅞

It was announced from Washington during the week that Lord Northcliffe would probably turn over to the American Newspaper Publishers' Association for distribution the entire output of his big Newfoundland paper mills. The mills are reported at present to be closed owing to the embargo on the importation of paper into England. Suggestions that the United States be permitted to take the production of the Northcliffe plants were made by the Federal Trade Commission some weeks ago and were accepted on the condition that the paper go only to small publishers. The paper will be distributed by the Publishers' Association under supervision of the Trade Commission. The addition of the 66,000 tons of paper produced annually by the Newfoundland mills will likely break the print paper market and assure small publishers an adequate supply at lower prices.

WAYAGAMACK.

The earnings of the Wayagamack Pulp very satisfactory at the present time, but and Paper Company are understood to be earnings do not interest the public apparently. Certainly the prosperity of many companies is not reflected on the Stock Exchange these days. Notwithstanding the very favorable conditions under which all pulp and paper companies are operating the stock of the Wayagamack Company sold at 73½ this week. This is sixteen points down from the high of this year.

PRICE BROTHERS.

A five-share lot of Price Brothers & Company's stock changed hands last week at 115, two points down from the last previous sale. The excellent financial statement of the company's operations the past year, strangely acted as a bearish factor. That is the way the market has been going lately.

RIORDON.

Riordan securities have been inactive since the spectacular decline last week, following upon the announcement of the increased war profits taxation contained in the budget. That the stock of a company like Riordan should be so adversely affected is one of the anomalies of a peculiar market. Both the brilliant financial statement of the company for the past year, and the statement of the president, at the annual meeting to the effect that the first three months of the current year were the best three months in the history of the company appear to have been overlooked.

The sales of the Riordan Company, and its prosperous subsidiary, the Ticonderoga Pulp and Paper Company, are at the present time bringing about one million dollars a month into the treasury, and there are no indications of any slump in prices or lessening of demand. By the time conditions reach a normal basis of earnings in the pulp and paper business, the Riordan company will be in an impregnable position as regards competition. The additional profits taxation imposed by the government this year, will probably take not less than one million dollars from the treasury of the Riordan company. The usual quarterly dividend and a bonus of one per cent. dividend of 1½ per cent., for the first of the past fiscal year is payable on May 15th. There have been no transactions in the common this week but a forty-share lot of the preferred sold at 92½ last Saturday. The closing price of the common last week was 114⅛.

RAINY RIVER PULP.

As soon as the necessary alterations have been effected, the Rainy River Pulp and Paper Company, a syndicate of New York interests which recently purchased the paper mill at Port Mellon, will commence the manufacture of kraft paper and in so doing will be the first of its kind on the Canadian pacific coast. The mill at Port Mellon is about 25 miles north of Vancouver and is admirably situated in the middle of a district which will supply an abundance of pulp wood and other raw materials. The short run to Vancouver by water is also a strong feature in favor of the enterprise.

Among the men behind the company are: Robert Sweeny, of 120 Broadway, New York; E. L. Mohn, formerly of New York, but now of Vancouver; J. C. McCrary, secretary-treasurer, and James Beveridge, a well-known pulp and paper maker from the Est. Already the extensive improvements planned by the Rainy River people are being carried out and it is stated that operations on a large scale will begin next month. There is a large and expanding market offered on the coast and the men behind the enterprise are confident that the mill will find no difficulty in disposing of its entire output.

LAURENTIDE.

For a second week there have been no sales recorded in the Montreal market of Laurentide. The last transaction was put through on April 20 at 183. This week a bid of 177, for less than 10 shares, was posted, but evidently failed to bring out any stock at this price.

SPANISH RIVER.

A break in the price of the preferred stock was the only feature of the trading in the securities of this company. The preferred had been quoted for some time around 55, but on Monday it fell off to 50¾, with very light selling. The common was but little traded in, first advancing to 17 and then falling back to 16.

BROMPTON.

The board of directors issued a brief statement on Wednesday announcing that owing to the new basis of taxation, "it is deemed inadvisable to continue the development work of this company at the present time." The Brompton Company had made all arrangements for the development of one of its water powers and work was to start shortly. The company owns five water powers, three of which have been developed. The plans drawn in connection with the development of a fourth, it is understood, called for the expenditure of $500,000 to $750,000 and the company had made financial provision for the amount required.

Brompton shares have been weak following last week's announcement of increased taxation and on Monday of this week they fell as low as 49. On Wednesday there was a recovery to 50.

NORTH AMERICAN.

It is a clear indication of how little interest the public is taking in the shares of pulp and paper stocks, when it is noted that not a single transaction in the once popular North American pulp stock occurred up to the close on Thursday. In fact, there has not been a sale of this issue since the middle of last week.

TORONTO PAPER.

Activity in Toronto Paper culminated on Wednesday, with the publication of the Company's statement for the year ending March 31 last. On that day the price of the issue advanced to 88. On Thursday interest slackened and only a single transaction was recorded at 87. If the stock behaves as it did after previous bursts of activity, it will probably remain undealt in for several weeks to come. The annual meeting is scheduled for May 18. A review of the company's report appears elsewhere in this issue.

PANUKE PULP.

Panuke Pulp & Power Co. is the name of a new pulp and lumber company that intends to operate in Nova Scotia. According to its prospectus, the company has been formed for the purpose of acquiring 26,000 acres of freehold timber lands located in the counties of Hants and Halifax, together with a pulp-grinding mill, etc. According to the statements of the company, the standing timber on the property is estimated at some 95,000,000 feet board measure, consisting of spruce, white hemlock and some hardwood and 75,000 cords of pulpwood. The pulp-grinding mill will be placed in operation at an early date.

INTERNATIONAL PAPER.

At the annual meeting of the International Paper Co. this week, Judge Holmes, a stockholder, stated that he was preparing to go into court to compel the directors to make some provision for stockholders. He maintained that in view of the fact that the common stock had received no dividends in about fifteen years, the directors should be authorized to make some payment. A resolution to authorize dividend on the common stock was defeated in a vote of the stockholders.

President Dodge stated all surplus earnings of last year and this year would be required to meet maturing bonds and for the cash distribution to stockholders, if the dividend adjustment plan is carried out. Bonds maturing in 1918 approximate $10,000,000. Holders of these bonds have the privilege of exchanging their bonds, par for par, for the new 5% bonds, and will receive 1½% cash commission on the par amount of their bonds for exchange and adjustment of difference on interest receivable.

The company plans at this time to issue only $7,500,000 new bonds. This will leave approximately $2,500,000 the company may have to take care of in cash at par and accrued interest, together with a premium at the rate of 1% per annum from time of payment to the date of maturity of such bonds. Allowing that approximately all bondholders come in under the plan, it will mean a cash distribution of over $2,000,000, in addition to about $112,500 cash commission on the $7,500,000 bonds exchanged for the new 5s.

There is also to be taken into consideration the $4,346,000 consolidated 5s maturing in 1935 that may be exchanged for the new bonds, par for par, with a cash commission of 1½% for exchange. Although this cash commission will only approximate $50,000, it must be borne in mind that should all these bonds come in under the plan, it will leave only $3,200,000 new 6% bonds to take care of $10,000,000 bonds maturing in 1918. The company states it is its intention to buy all bonds tendered, but not accepted, at par and accrued interest, so that if all the $10,000,000 come in under the plan, approximately $7,500,000 would have to be taken care of in cash.

Should the present plan for taking care of the 33⅓% back dividends on the preferred go through, it will require a cash payment of over $1,500,000. The 14% to be paid in preferred and 12% in common would bring the capital stock slightly over the authorized amount, and this would necessitate further cash outlay.

When it is taken into consideration that cash in the treasury, as shown by the annual report for 1916, amounts to $2,668,521, and that cash outlay the company will be obliged to make may well be two or three times this amount, any return to the common stockholders for an indefinite period is quite unlikely.

MINING STOCKS

Market Quiet, With Prices Holding Fairly Well Until Thursday When Various Stocks Sold Off Several Points.

It has been even a quieter week than last week in the mining market. On Monday, Tuesday and Thursday, transactions on the Standard Exchange fell under the 100,000 share mark, a condition rarely to be noted. Prices on the whole held up pretty well until Thursday, when in common with outside markets, there was a decline. This was most noticeable in stocks like Hollinger and Dome Mines, which are traded in considerably in New York. Friday's market was very quiet at about the previous day's levels.

Less is being heard of prospective labor troubles than was the case a few weeks ago and it is generally understood that no difficulty will develop. The miners have been meeting this week and are expected to vote on the strike question on Saturday.

Silver was quoted yesterday in New York at 75⅛ cents an ounce. This is a gain of a cent over a week ago. The price reacted to 74 cents last Saturday, advanced to 74¾ cents on Monday, dropped to 74⅝ cents on Tuesday, advanced to 74⅝ cents on Wednesday and to 75⅛ cents on Thursday. The market for silver is slowl[illegible]ing up towards the previous high point.

The mining situation in the province of British Columbia is being very seriously considered just now by mining and business men. The cause, of course is owing to the new mining bill which is being brought down by the present government. In giving an address before one of the public bodies in Vancouver last week, Prof. Turnbull of the University of B.C., drew attention to the fact that mining conditions in the province would be helped if examinations were made into properties by geologists rather than engineers who were not competent to pass on the peculiar formations to be found in B.C. He went on to advocate the establishment of a Chamber of Mines where reliable information could at all times be secured. He also thought that an expert geologist should be engaged by the government as a permanent official to provide authentic reports of possible mining locations.

J. V. Rittenhouse of New York, a mining man having interests in B.C., reached the city later and in an interview, he heartily endorsed the views of the local man. He said that before capitalists would come to the province to invest their money, the government would have to give some assistance in the way of pointing out where the resources of the province were to be found. If information of this kind were not supplied the easterners, there would be little possibility of their coming to the coast to investigate. He thought that the government should make a complete survey of the province and that the information obtained should be filed with the government who would supply it to all applicants. He was of the personal opinion that there were boundless deposits of iron in the province and he prophesied that B.C. was on the eve of one of the greatest mining booms ever seen in the Dominion.

O'BRIEN EXTENSION.

As indicating the increasing interest which United States capitalists are taking in the Canadian mining industry, the action of Richard Palmer, of New York, and his associates in securing the O'Brien Extension property, known as T. C. 177 in Gowganda silver camp district, and their planning an extensive development of same, is significant. The O'Brien Extension lies to the south of the Miller Lake-O'Brien, on which such splendid values have been obtained, and it is believed that the O'Brien veins run into the Extension property. Several large mining interests have tried to buy the O'Brien Extension from Mr. Palmer and his friends, but the latter have decided to proceed with development themselves. A company with a capitalization of two million dollars has been formed, and to meet immediate requirements, $100,000 of stock will be sold at 35 cents per share. The owners estimate that this will provide sufficient funds to develop the property to the producing point. Mr. Palmer and his associates propose to visit the camp within the next few days and supervise the installation of the plant. A full equipment of machinery is now being installed upon the property.

CONSOLIDATED SMELTERS.

During the third week of April, ore receipts at Trail Smelter dropped to 4,734 tons, of which 3,357 tons came from the Sullivan mine. The decline is strikingly shown in the following table:—

	April.	
1st week	9,463	8,091
2nd week	9,841	6,295
3rd week	10,931	4,734
Total from October 1	258,859	251,120

MARITIME COAL CO.

The financial statement of the Maritime Coal, Railway & Power Co., which is reviewed at length in another column, shows a very gratifying improvement over the previous year. The total earnings of the company show a gain of nearly $90,000. The company has already paid a dividend of three and a half per cent. on the preferred for the six months ending August 31, and has declared another distribution of the same amount for the six months ending February 28, or seven per cent. for the year. The shortage of labor, owing to the heavy enlistments, is causing the company considerable anxiety, but in spite of this handicap, it is expected that the earnings of the company from its coal mines will show a still greater increase this year. The results from the operation of the lighting plant, were disappointing, but the railway earnings showed an increas. There has been some curb trading in the preferred at around 80, while the common is quoted at from 15 to 18.

MINUDIE COAL CO.

THE FINANCIAL POST hears that the earnings of the Minudie Coal Company, which operates in Cumberland Co., N.S., will show an improvement over the previous year, but there is no prospect of any dividends being paid yet. The company has been improving its mining plant, and has purchased properties out of earnings, which made it impossible to make any distribution to the shareholders, but it is hoped that the company may be able to start paying dividends next year. Like all the other mining concerns the Minudie Company is finding it almost impossible to get an adequate supply of labor. This may restrict the output the coming year. No transactions in the stock have been reported recently.

GRANBY.

For the purpose of profitably treating its silicious ores, Granby Consolidated will utilize oil flotation. An experimental plant of 100 tons daily capacity will first be tried out. It is estimated that there are several millions tons of silicious ores on the company's Hidden Creek property and these have never been included in reserves.

April operations at Grand Forks were again interrupted by lack of coke, but the Anyox smelter operated its full battery of four furnaces.

McKINLEY-DARRAGH.

Work of blasting out excavations for the foundation of the new oil flotation mill has commenced. All the requisite machinery for the mill building is on the ground. The new plant will have a daily capacity of from 200 to 300 tons.

After advancing to 54 on Tuesday from a low of 49 the previous week, shares of this company fell off on Wednesday to 53.

BOSTON CREEK.

It is reported that underground workings of the Boston Creek mine have reached a depth of 400 feet. Conditions at this depth are said to be satisfactory. The

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

Head Office, TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco, Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

Collections

Collections made in any part of Canada at reasonable rates.

A GENERAL BANKING BUSINESS TRANSACTED

THE DOMINION BANK

HEAD OFFICE, TORONTO

SIR EDMUND B. OSLER, M.P., President
W. D. MATTHEWS, Vice-President
C. A. BOGERT, General Manager

The London, England, Branch of The Dominion Bank
At 73 Cornhill, E.C.,

Conducts a General Banking and Foreign Exchange business and has ample facilities for handling collections and remittances from Canada.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

CAPITAL, - - $ 6,500,000
RESERVE, - - 12,000,000
TOTAL ASSETS, - 100,000,000

HEAD OFFICE, HALIFAX

BOARD OF DIRECTORS:

John Y. Payzant, President — Charles Archibald, Vice-President
G. S. Campbell — S. J. Moore — W. W. White, M.D.
Hector McInnes — J. Walter Allison — W. D. Ross.
James Manchester — Hon. N. Curry — Hon. M. C. Grant

GENERAL MANAGER'S OFFICE, TORONTO

H. A. Richardson, General Manager. J. A. McLeod, Asst. General Manager.

A general banking business transacted. Letters of Credit issued, drafts bought and sold, payable in all parts of the world. Savings Deposits opened by deposit of $1 or over, interest added half yearly.

UNION BANK OF CANADA

Dividend No. 121

NOTICE is hereby given that a Dividend at the rate of eight per cent. per annum, upon the Paid-up Capital Stock of the UNION BANK OF CANADA, has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its Branches, on and after Friday, the 1st day of June, 1917, to Shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 31st day of May, 1917, both days inclusive.

By Order of the Board,

H. B. SHAW,
General Manager.

Winnipeg, April 19th, 1917.

Tested by Time, Panic and War

Mortgage Corporation Debentures do not fluctuate in value. Neither time, panic nor war affect them.

Stocks drop. Some disappear altogether. But through all the excitement and strife of war, Standard Reliance Debentures have stood the test for security of principal and permanency of interest.

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When there is no Will

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ALASKA

Follow the Gold Seekers' Trail

to this wonderful land of the north. Know the lure of its fjords, snow-capped mountains, blue-green glaciers, rivers and tumbling cascades, Indian villages and totem poles. Thrill with its awakening to a mighty commercial life.

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S. S. Princess Charlotte

Sailing northward, 1,000 miles along the protected "inside passage."
Make your reservations early and secure choice accommodation.

W. . HOWARD
District Passenger Agent, Toronto, Ont.

Canadian Pacific Railway

WALLACE QUARRIES.

Satisfactory Adjustment Reached As to Recent Fire Damage.

The Wallace Sandstone Quarries, Limited, whose quarries at Tyndall, Manitoba, were destroyed by fire a few months ago, has made a satisfactory adjustment with the insurance companies concerned. The loss was practically a total one and was settled by the payment of approximately $200,000. No decision has been reached by the company yet as to rebuilding the plant. At the present time some quarrying is being done, but the rough stone will be shipped to Ottawa and dressed there. It will be used in the construction of the Parliament buildings. The company's quarries at Wallace, N.S., have not been opened yet this season, and no information is available as to whether any work will be done there yet this season or not.

W. D. L. Hardie, mayor of Lethbridge, states that the city has $13,400 cash on hand for investment in Lethbridge debentures.

NEWS OF SECURITIES

Continued from page 3.

new camps and office buildings are completed and the working staff of 45 men is housed in the new quarters.

HOLLINGER.

Directors of the company who attended a board meeting at the mine last week report all conditions favorable except the labor situation. Until the union miners co-operate with the mine owners and a larger labor supply is available, they say the output cannot be increased. For the time being the Hollinger must be content to earn current dividends, while the management will devote more attention to aggressive development. There will be no change in this policy unless forced by greater difficulties than now exist.

Hollinger dropped back under 5.00 on Thursday, selling down to 4.95. It had been ruling between 5.05 and 5.10 all week.

DOME MINES.

The following expression of opinion on the application of the business profits tax to mining operation has been published during the week:

My interpretation of the present profit tax is as follows:—

"(1) The stock capital of mines is ignored, and the capital is taken as five times the annual profit for the year in which the tax is figured.

"(2) The depreciation of 10 per cent. of this capital is allowed against the year's profit.

"According to this the new tax would not affect Dome at all, as the figures would be as follows:—

"Approximate profit for the accounting period for 1916, $900,000; the capital is figured at five times this, or $4,500,000; allowance of 10 per cent. for depreciation, $450,000; this, deducted from the $900,000 profit, leaves only $450,000, which is only 10 per cent. of the capital. It would, therefore, not come under the increased taxation, as it is well below the 15 per cent.

"Allowing 7 per cent. for return of capital, which is $315,000, would leave $135,000 subject to the 25 per cent. tax, which amounts to $33,750."

The fact is that the application of the business profits tax outlined in the Finance Minister's Budget speech can be applied to mining companies if the Minister so desires.

Weakness developed in Dome Mines on Thursday and the price reacted from 15.75 to 14.75.

LORRAIN CONSOLIDATED.

The most active stock of the week has been Lorrain Consolidated. Opening at 35 last Friday, it sold up to 38 that day, to 40 on Saturday, to 41½ on Monday. A decline then ensued carrying the stock back to 36½ at the close on Thursday.

Activity in this stock was occasioned by reports of rich finds on the property, with the prospect that the mine was nearing the producing stage. The property comprises 53 acres of land in the South Lorrain portion of the Cobalt camp. The discovery made last week on the 275-foot level has been the result of scientific development, started last July.

McINTYRE.

Interest in McIntyre centred this week around the dividend question, which came up for decision yesterday. The stock was stronger in consequence, selling up from a low of 166 on Monday to a high of 172 on Wednesday. There was a reaction to 169 during Thursday's market weakness.

CROW'S NEST COAL.

The Street was interested in but not impressed by the explanation that the directors of the Crow's Nest Coal Company had no settled dividend policy, and that the absence of a dividend announcement for the current period was not significant. Bids on this stock stood at 50, but there were no offerings below 70. The directors of the company will meet next month, and it was stated yesterday that if the labor troubles in British Columbia are cleared up in the meantime the dividend for the half year may then be declared.

ELECTRIC RAILWAYS

Markets Have Been Dull in Sympathy With the General Trading Situation.

The Electric Railway and other public utility stocks have been quiet this week under the general influences of the market but for the most part they have shown more steadiness and not the same tendency towards weakness. Holders of public utility securities who have been following the developments in Ontario regarding the projects of the Hydro Electric Commission will be interested in the renewal of the report that the deal whereby the Hydro will take over the Ontario Power company is being consummated. In fact there is a report from Niagara that it has been closed and support is given to this by the statement that V. G. Converse, general manager and chief engineer, and E. M. King, superintendent, of the company have resigned.

ILLINOIS TRACTION.

The total gross earnings of the Illinois Traction Company for the month of March last, were $1,080,633, as compared with $985,925 for the corresponding month of last year. This is an increase of 9.21 per cent. The net earnings for the month were $386,305, as compared with $369,811, the previous year, an increase of 4.46 per cent. For the three months ending March 31, the total net earnings were $1,252,268, as compared with $1,199,468, for the corresponding three months in 1916, an increase of 4.40 per cent. There have been no transactions in the securities this week, but several small lots of the preferred sold at 87, the previous week, which is the figure at which all transactions have taken place this year. The high price last year was 91, and the low, 87½.

There have been no sales of this stock in Canada during the week.

DULUTH-SUPERIOR.

For the week ending April 21, the gross earnings of the Duluth-Superior Traction Company amounted to $29,555 compared with $24,487 for the corresponding period in 1916, an increase of $5,068 or 20.7 per cent. For the month to date the earnings were $92,665, compared with $74,210, an increase of $18,455 or 24.9 per cent., while for the year to date the amount was $469,591, an increase of $73,566 or 18.6 per cent.

Duluth-Superior at 50 this week showed no change from the price level which has prevailed since the 1st of April. Trading was of trifling proportions. Reports regarding earnings continue to be satisfactory under the prevailing conditions.

BRAZILIAN.

The opinion expressed previously in this column that Brazilian has been fundamentally strengthened rather than weakened by the decision to pass the dividend is concurred in by Greenshields & Co., of Montreal, although this company takes rather an over-optimistic view of the situation. "Intrinsically," says a market letter, in iscussing the decline preceding and following the passing of the dividend, "the stock, in our opinion, is worth more to-day than it was when it was selling in the vicinity of par and it is a question whether the stock was inflated very much at that time. This is an excellent stock to purchase as an offset to any loss which the cessation of war business may bring. At its present very low price in the vicinity of 40 the stock appeals to us as being one of the most attractive speculative investments for a long pull, because Brazilian exchange should improve substantially when the war is over."

The company's stock has performed well this week in the face of a weak market, being sustained by marked improvement in the exchange situation. At 13⅛d to the milreis, a new high level was touched since July, 1915. The improvement has caused considerable comment among merchants at New York dealing with South America, particularly in the coffee trade. Opinions do not agree as to the reason for the rise. In some quarters, says the *Wall Street Journal*, it is stated that the exchange is strong on the probability that Brazil will be granted a loan in the United States upon taking up arms against Germany. Recent despatches that Brazil, despite her threatening attitude towards the Central Powers, has decided to adhere to her policy of neutrality do not bear out this view. An explanation more in line with the latest reports is that Brazilian merchants bought sterling exchange in the expectation that Brazil would enter the war. When they discovered that Brazil was to remain neutral they rushed into the market to exchange sterling for milreis, thus causing Rio exchange to advance sharply. Several prominent coffee men discard the speculative theory entirely and declare the strength of Rio exchange is due purely to the unusually large amount of coffee and other products exported from Brazil recently. Brazil has established large credits abroad, and high exchange rates would be a natural result.

The market reflected to some extent the strength of the exchange situation, the stock selling up to 39, an improvement of about a point for the week. The low of the recent dip was 37.

QUEBEC RAILWAY.

In connection with the acquisition of the Quebec and Saguenay Railway by the government it is expected that legislation will be submitted to parliament which will cover the whole project of absorption of the railway lines in the district below Quebec on the north shore. It is also suggested that in the event of the use of Hamilton Inlet on the Labrador coast, as is intimated, in Bonar Law's recent statement, that the Quebec and Saguenay might be turned to account. It was one of the hopes of the original promoters of this road that it would eventually be extended to Hamilton Inlet. The stock of the Quebec Light, Heat and Power Company has advanced a point this week over last week's close of 28.

B. C. ELECTRIC.

Official returns of earnings of the British Columbia Electric Railway for March show gross amounting to $456,626, compared with $446,401 for the same month in 1916, an increase of $10,225; working expenses, maintenance, etc., amounting to $356,178, against $355,103, an increase of $1,075, and net earnings at $100,448, compared with $91,298, an increase of $9,150, which compares with a gain in the previous month of $9,150. Following are comparative figures of the net earnings since July last.

Net	1916	1915	Change
July	$ 63,200	$ 26,842+	$36,358
Aug.	74,134	19,734+	54,400
Sept.	63,051	39,816+	23,235
Oct.	93,418	58,775+	34,643
Nov.	109,537	84,139+	25,398
Dec.	136,366	125,538+	10,828
	1917	1916	Change
Jan.	130,479	114,022+	16,457
Feb.	101,680	96,522+	5,158
Mar.	100,448	91,298+	9,150

The aggregate gross earnings from 1st of July to March 31, amounted to $4,066,379, compared with $3,826,820, and aggregate net amounted to $872,313, compared with $656,687 for the corresponding period in 1916.

DETROIT UNITED.

Considerable activity developed in Detroit United this week at Montreal. The price remained comparatively steady as compared with the trading of the past fortnight, the range being 114 to 115.

TORONTO RAILWAY.

Sales of Toronto Railway on Thursday at 80 showed a decline of 4 points from the opening of the week. There has been no particular news regarding the company of late, although the report that the employees are demanding an increase in wages may be considered as a factor in the situation. The present agreement expires on June15. Under the new schedule, a sliding scale, the union will ask for an increase from twenty-six to thirty-six cents an hour for the first year; from twenty-eight cents to thirty-eight cents for the second year, and from thirty to forty cents for the third year and thereafter. The union will also urge a more uniform system of working hours, the men preferring to complete their day's work in ten or twelve consecutive working hours instead of the existing system.

TWIN CITY.

Twin City has sold this week between 92 and 90¼, a considerable range considering that only a few shares changed hands. The stock is sharing in the general dullness of the market situation.

WINNIPEG ELECTRIC.

The annual statement of the Winnipeg Electric Company is referred to in another column. There were no transactions on the stock exchange to indicate its effect. Late quotations were 55 offered and 68 asked, indicating considerable difference of opinion as between buyers and sellers.

LIGHT AND POWER

SHAWINIGAN.

As usual Shawinigan occupied a fair share of the week's trading and its price was well sustained. The range was 121 to 122 compared with 121 to 122½ last week.

CONSUMERS' GAS.

Consumers' Gas has sold this week at 165, showing no change. Trading has been very light. The affairs of the company are making a satisfactory showing under the conditions prevailing and the recent increase in price has evidently offset any weakness which might have occurred as the result of the abnormal price of coal.

HALIFAX POWER.

The city of Halifax is still struggling with the question of its light and power supply and as an incident connected with this, the ability of the Halifax Power company to provide a development and undertake the work. The city council by a large majority asked the Legislature to pass a permissive bill, providing that if within ninety days the company shows its ability to provide a supply of electric current available and not less than 675 K.W. continuous supply throughout the year, a plebiscite of the people shall be taken as to whether the city shall lend financial assistance to the company. This is covered by the three clauses which follow:

"The city of Halifax is authorized to borrow the sum of $400,000 and to issue its bonds or debentures for that amount, such bonds and debentures to bear interest at five per cent. per annum, payable half yearly and to be payable in 35 years from the date thereof.

"The amount so borrowed may be loaned by the city to the Halifax Power Company, Limited, or the said bonds or debentures may be delivered to the said Halifax Power Company, Limited, upon the terms of a memorandum of agreement between that company and the city.

"The amount so loaned shall be secured to the city by a first mortgage to be given to the city by the company—mortgage to be made upon all the property of the company and to be payable in 25 years with interest at 6 per cent., payable half-yearly."

Controller John McKeen, who was defeated at the recent civic election, is the chief champion of this scheme. He was at one time a prominent official of the bank of Nova Scotia, having been manager at Amherst, Ottawa and Halifax. He is now retired from the service.

SHAWINIGAN.

Shawinigan Water & Power Company's stock was off fractionally early this week from last week's close, but the lost ground was regained on Wednesday, when light sales took place at 122, last week's closing price.

McCuaig Bros., in their market letter, this week make the following reference to the company: "The history of this company has been remarkable as it has never failed to show increases in both gross and net receipts year by year, notwithstanding any periods of depression through which this country has passed. The company in addition to its own large water powers secured control of the Laurentide Power and owns Gres Falls which has a large capacity. The completion of the big dam at the head waters of the St. Maurice River this year will add 60 per cent. to 80 per cent. to all of these powers; in consequence the Shawinigan Water & Power Co. will control largest amount of power of any concern on this continent, if not in the world. With a view to finding a market for a large quantity of this new power, the company has established several industries at Shawinigan which consume a very large amount of electric current, and in consequence it is assured of a market for a very considerable portion of the new power at remunerative rates. The earnings, therefore, for the future should show even larger increases than in the past. As an investment, we consider that this stock is very attractive as it will undoubtedly sell at much higher prices eventually."

CIVIC INVESTMENT.

An incipient strike by a number of linemen in the employ of the Civic Investment and Industrial Company, has caused the company some inconvenience, but the company's organization is now said to be quite complete. In a published advertisement it is charged that "a few of the employees disgruntled by dismissal, have resorted to malicious cutting of electric wires, transmission lines and street lights." The company announces that protective measures have been taken to prevent further occurrences of the kind, and promises that the augmented staff will restore the interrupted service as promptly as possible.

Nothing has been heard lately of the proposition to increase the gas rates, and the FINANCIAL POST understands that no move in that direction is contemplated in the near future. The stock is selling ex-dividend this week, and remains unchanged at 79, when allowance is made for the dividend. The sales this week were light.

ALABAMA POWER.

The total gross earnings of the Alabama Power Company, the operating subsidiary of the Alabama Traction, Light and Power Company, for the month of March were $153,538, as compared with $113,252, in 1916, an increase of $40,286. The net earnings for the month increased to $106,686, from $70,877, an increase of $35,809 for the month. The total gross earnings for the twelve months ending March 31, were $1,645,706, as compared with $1,154,711, the previous year, an increase of $336,804.

The annual meeting of the company is usually held in March, but it has been delayed this year. No dividends have been paid by the company yet, and it is not expected that any will be paid this year. The preferred is cumulative from July, 1915. W. J. Henderson, secretary-treasurer of the company, who has been down in Alabama recently, getting things in shape for the annual meeting, informs THE FINANCIAL POST that the company's plans are gradually maturing, and with the industrial expansion that is taking place in Alabama, he sees a great future for the company.

TRANSPORTATION

Interest Turns to the Report of the Royal Commission—Need for Increased Rates.

The interest of the holders of Canadian Railway securities has naturally been directed this week to the report of the Royal Commission which has been considering the whole transportation problem of the Dominion. This report is dealt with fully elsewhere in this issue. THE POST is opposed to government ownership from the standpoint of efficiency in rendering public service. The fact that there are minority and majority phases of the report indicate that the problem is a complex one and it is not by any means certain that the government will act upon either of the conclusions which have been reached. In any event the inquiry has served to bring to light in concise from many facts concerning the big Canadian systems which will be of interest to shareholders and to the public at large.

Shareholders are also vitally interested in the demand being made by the railways for higher rates. As has already been explained these appear to be absolutely necessary if the efficiency of the country's transportation service is to be continued. In fact so great is the cost of fuel, rolling stock and general supplies and equipment that it is impossible for purchases to be made on a proper scale unless the advances are given. Also it will be impossible for the railways to properly take care of the country's traffic, especially if there is a normal crop this fall, if they are not in a position to increase their rolling stock and motive power. In the United States there is a strong cry that if there are not more cars provided for the movement of the crops then the campaign for increased production will be to no avail.

Following is a summary of earnings for week ending April 30th:

	1917	1916	Change
Grand Trunk	$1,481,293	$1,445,853+	$ 35,440
Can. Nor. ..	932,100	844,100+	88,000
Can. Pac. ..	3,665,000	3,166,000+	499,000
	$6,078,393	$5,455,953+	$622,440

GRAND TRUNK.

The Grand Trunk Railway continues to show increases in net earnings. For the month of March the net earnings amounted to $948,299, compared with $886,265 for the same month in 1916, an increase of $62,034 or 7 per cent., which compares favorably with a decrease shown in February of 55.7 per cent. In January the net earnings showed a gain of 24.4 per cent.

Gross earnings of the Grand Trunk Pacific Railway for the week ending April 7 amounted to £21,954 compared with £23,356 for the corresponding period in 1916, a decrease of £1,402. For the year to date the earnings were £233,728 against £239,592, a decrease of £5,869.

The Grand Trunk Railway reports gross earnings for the week ending April 30, at $1,481,293, compared with $1,445,853 for the corresponding period in 1916, an increase of $35,440 or 2.45 per cent.

CANADIAN PACIFIC.

A significant statement regarding the increasing cost of operation of Canadian railways in relation to earning power was made at the annual meeting of the shareholders of the Canadian Pacific by Lord Shaughnessy.

Lord Shaughnessy referred to an agreement made with the Imperial government under which the company issued 4 per cent. consolidated debenture stock to the amount of $40,000,000 and loaned it to the Imperial Treasury for a maximum period of five years at a premium of one-half per cent. per annum above the rate payable on the stock and also spoke of the plan formulated for creating and selling collateral trust bonds to the amount of about $199,000,000 to be deposited by the Treasury, which has been abandoned, for the present at any rate, because of the financial arrangements and relations resulting from the entry of the United States into the war. The willingness of the company to lend its name and credit to the Imperial Treasury has been keenly appreciated and the Chancellor of the Exchequer has expressed his thanks to the shareholders in this connection.

His Lordship also explained the reason for the change of the date of the annual meeting in order to make the fiscal year of the company correspond with the calendar year as is becoming increasingly customary. The annual report was adopted. E. W. Beatty, Hon. F. L. Beique, Hon. Jas. Dunsmuir and C. R. Hosmer were re-elected directors and at a subsequent meeting Lord Shaughnessy was made president, George Bury and E. W. Beatty vice-presidents, with the executive committee constituted as follows: R. B. Angus, E. W. Beatty, Geo. Bury, Sir Herbert Holt, Sir Edmund Osler and Lord Shaughnessy. The dividend was continued on the 10 per cent. basis for the quarter ended March 31st last, payable June 30th.

The only discordant note struck at the meeting of the C.P.R., covering the half year ending December 31st, was the criticism offered by G. Arthur Burgess, of Carleton Place, Ontario. Mr. Burgess was in a very censorious mood, and found fault with many things. He objected to the changed manner of addressing the president, and protested because the poor inhabitant had no place to smoke his pipe at the Place Viger station. He also complained that the officials had not him the courtesy due him on the occasion of his recent trip through the West.

At the conclusion of his twenty-minute address, Lord Shaughnessy dismissed the matter by stating that the gentleman's criticisms would be considered. Lord Shaughnessy stated that the representation at the meeting both by proxy and personally, was the largest in thirty years.

The returns of the Canadian Pacific Railway for the month of March show gross earnings amounting to $11,846,543, compared with $10,380,981 for the same month in 1916, an increase of $1,465,562 or 14.1 per cent. Working expenses were $7,909,225, an increase of $949,574, while the net earnings at $3,937,318 showed a gain of $515,988, or 15.1 per cent. Comparative figures of March returns of gross and net earnings since 1910 are as follows:—

March.	Gross.	Net.
1917	$11,846,542	$3,937,317
1916	10,380,981	3,421,330
1915	7,852,989	2,973,014
1914	9,447,461	3,099,230
1913	11,111,892	3,855,410
1912	10,519,319	3,718,401
1911	8,800,640	3,156,566
1910	7,796,337	2,711,173

For the three months ending with March the net earnings compare as follows:—

Net.	1917	1916	Change.
January	$2,431,478	$2,090,408	+$341,010
February	1,986,048	2,294,341	— 308,293
March	3,937,318	3,421,330	+ 515,988

For the week ending April 30, the gross earnings of the Canadian Pacific Railway amounted to $3,665,000, compared with $3,166,000 for the corresponding period in 1916, an increase of $499,000.

BUSINESS OPPORTUNITY

WANTED TO COMMUNICATE WITH party able to finance a large and magnificent mail order business, of broad magnitude, and international scope. This is an old established business, of international fame and reputation, with an extensive clientele the world over, the extension of which demands broad and prompt expansion of the business, and big financial backing. A magnificent opportunity for a financial institution or a private party to share a portion of the profits of this undertaking by acting at this instance, when the business demands such action. Particulars will be furnished to suitable and responsible parties interested.—Address, Box 982, Financial Post.

DIVIDENDS DECLARED.

Canada Cement Company
Limited

PREFERRED SHAREHOLDERS

DIVIDEND NO. 29.

NOTICE IS HEREBY GIVEN that a dividend of 1¾% for the three months ending March 31st, 1917, being at the rate of 7% per annum on the paid-up Preference Stock of this Company, has been declared, and that the same will be paid on the 16th day of May next, to Preference Shareholders of record at the close of business, April 30th, 1917.

The Transfer Books of the Company will be closed from May 1st to 10th, both days inclusive.

By order of the Board of Directors.
H. L. DOBLE,
Secretary.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO AND-ONE-HALF PER CENT. upon the paid up Capital Stock of this Institution has been declared for the current quarter, also a BONUS OF ONE PER CENT., both payable on and after Friday, the FIRST DAY OF JUNE next, to Shareholders of record of 30th April, 1917.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager
Montreal, 24th April, 1917.

The Canadian Bank of Commerce

DIVIDEND NO. 121.

NOTICE is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 31st May next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Friday, 1st June, 1917. The Transfer Books of the Bank will be closed from the 17th to the 31st of May next, both days inclusive.

By order of the Board,
JOHN AIRD,
General Manager.
Toronto, 20th April, 1917.

The Royal Bank of Canada

DIVIDEND No. 119

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the Paid-up Capital Stock of this Bank, has been declared for the current quarter, and will be payable at the Bank and its Branches on and after FRIDAY, the FIRST DAY OF JUNE next, to Shareholders of record of 15th May.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., April 17, 1917.

Lake of the Woods Milling Company, Ltd.

DIVIDEND NOTICE

NOTICE is hereby given that quarterly dividends of 1¾% on the Preferred Stock and of 2% on the Common Stock of Lake of the Woods Milling Company, Ltd., have been declared, payable on June 1st, 1917, to Shareholders of record at the close of business on Saturday, May 26th, 1917.

By order of the Board,
R. NEILSON,
Secretary.

CANADIAN NORTHERN.

The Canadian Northern Railway system reports gross earnings for the month of March amounting to $3,273,200 as compared with $2,607,000 for the same month in 1916, an increase of $666,200. Operating expenses were $2,655,100 against $2,240,600, an increase of $414,500, while net earnings were $618,100 compared with $366,400, an increase of $251,700, which compares favorably wtih the figures for February when there was a decrease of $21,200 in net. As will be seen from the following comparative figures the net in March showed the largest gain than for any month during the present year.

Net.	1917	1916	Change.
January	$482,100	$255,400	+$226,700
February	108,200	129,400	— 21,200
March	618,100	366,400	+ 251,700

The aggregate gross earnings from July 1, to the end of March amounted to $30,095,900 as against $24,134,600 for the corresponding period in 1916, an increase of $$5,961,300, while the aggregate net amounted to $7,504,500 compared with $6,275,700, an increase of $1,228,800.

Gross earnings of the Canadian Northern Railway for the week ending April 30, amounted to $932,100 as compared with $844,100 for the corresponding period in 1916, an increase of $88,000. From July 1, to date, the earnings were $33,411,400, an increase of $6,452,500.

CANADA STEAMSHIPS.

The proposals made by the Canada Steamship Lines for the development of St. Helen's Isle. into a miniature "Coney" Island, have been very well received by the City Fathers, although no agreement has been reached yet. Negotiations are under way, but no doubt there will have to be concessions made before an agreement is finally reached. The company is prepared to put two steamers on the service almost immediately, if the franchise requested is granted. The prospects for the tourist business look bright, many parties and conventions having booked accommodation already. The FINANCIAL POST understands that the remaining 5¼ per cent. due on preferred arrears, is likely to be paid just as soon as the receipts from the summer's traffic begin to come in. This is not likely to be later than June or July. The activity which developed in the securities of the company last week was continued this week. The common advanced ⅝ to 39⅜ on Tuesday and closed at 39¼ bid. The preferred advanced to 87⅜ and finished with a gain of 1⅛ for the day. Five hundred shares of the common and about 1,000 shares of the preferred, changed hands during the day. On Wednesday the preferred sold at 87½, the common advancing to 40.

In connection with the firmness of Steamships securities this week, significance is being attached to the statement of President James Carruthers in the POST last week that he did not look for reduction of freight rates for a long time because of the shortage of tonnage which would still be a big factor after the close of the war.

The market letter of McCuaig Bros. contains the following references to Canada Steamship Lines: "This company has made very large profits during the last year, and is assured of enormous earnings this year, as its ocean steamships are chartered for the entire year to a foreign government, and owing to the shortage of ships on the Great Lakes high rates must prevail there also. After peace is declared, owing to the destruction of ships, the company is assured of large earnings for some years to come. The preferred stock of this company, therefore, selling at about 85, is one of the greatest bargains on the list, as there is 5¼% of back dividends which will be paid off in the near future, bringing the price down to about 80. As the stock pays 7% on par at this price it will yield a very high rate of interest, and the price should gradually work up above 90, so that in addition to a high rate of interest there should be a profit of at least $10 per share within a reasonable period. The common stock of this company, selling at about 38, is an excellent speculative investment, as in all probability a satisfactory dividend will be paid on it within six months."

The report of the British Columbia Legislative Inquiry Committee into the construction of the Pacific Great Eastern Railway, recites the facts of the departure of D'Arcy Tate, vice-president of the company, after he had declined to make public facts regarding campaign contributions to political parties. The committee finds that General J. W. Stewart Timothy Foley, of St. Paul, Minn., are disqualified as directors of the railway, because the contract for construction awarded to Pat Welch, the third member of their company, was in reality illegally awarded to the whole firm of Foley, Welch & Stewart. The other directors, E. F. White and F. Wilson, appeared to have been drawing salaries of $6,000 a year each, and at the same time profited by taking sub-contracts without giving any apparent value. The unit prices fixed between Welch and the Government are found to have been excessive in comparison with similar work on the Canadian Northern.

OTHER STOCKS

Further Weakness Develops — Submarine Menace Considered As a Factor.

After some mild investment interest had developed over the week-end and during the first days of the present week there was again a return of the unsettledness which has prevailed for some time and with it a resumption of the softness which has accompanied the downward price tendency of the past month or so. Again there was evidence of sympathy on the part of the Canadian exchanges with Wall Street, where weakness followed a period of comparative strength. The increasing seriousness of the submarine menace was advanced as the particular evidence of that uncertainty as to developments which has prevailed since the United States entered the war. The submarine difficulty is taken as an evidence of the serious nature of the situation which may be followed by conditions of actual war strain different from any which have as yet been experienced. Continued success of the German underseas campaign would not only mean the extension of the period of the war, but would also interfere with those shipments of munitions and foodstuffs from this side of the Atlantic, which have been responsible for the prosperity which has been experienced during the past couple of years. Then, in addition, there is still the heavy financial programme overhanging the American market, with its accompanying schedule of taxation, as well as the new war tax in Canada.

The trend of the market is evident from the April record which shows that Steamships was the only one of the more active stocks to make gains, while losses all the way up to 16 points were recorded by Brazilian, Mackay, Maple Leaf, N. S. Steel, Steel of Canada, Dominion Steel, Toronto Railway, Russell, Cement, etc.

AMES-HOLDEN-McCREADY.

The fiscal year of Ames-Holden-McCready closed on April 30th but no detailed figures have been given out yet as to earnings or gross sales. The FINANCIAL POST understands, however, that the sales will be around $6,000,000, and the net earnings between four and five hundred thousand dollars. While the earnings would permit of the payment of dividends on the preferred, the directors are not likely to make any distribution this year, as the company has need of a large sum of money to carry a sufficient stock of raw materials for its extensive business, and will prefer to reduce its liability to the bankers.

The company has been getting into better shape, and with the economies in overhead that have been effected by consolidating all the manufacturing operations under one roof, it is hoped that the worst of its troubles are over. A few sales of the preferred took place last week at 59, which was an advance of four points, but the common hangs around 16.

ATLANTIC SUGAR.

The Atlantic Sugar Refineries, Limited, closed its second fiscal year on April 30th, and while the past year has been one of uncertainty and anxiety in the sugar refining business, the earnings of the Atlantic Company, will, the FINANCIAL POST understands, show a substantial increase over the previous year. The detailed figures will not be available until the annual meeting, but the sales will show an increase as well as the earnings. At the present time the company is producing 750,000 pounds of cane sugar every day. The brilliant and aggressive campaign that the company has carried on for rather past two years, is bringing forth fruit, that will be reflected in the profits of the company eventually. The shareholders are not anticipating any dividends yet, but the company is building up a goodwill that will be cashed in on in future years. No sales of the securities have been reported recently, but curb brokers are offering the preferred at 47 and the common at 14½

B.C. PACKERS.

This stock had another slight burst of activity on Friday of last week, when 85 shares changed hands for the standard figure of 45. There was no activity noted in the preferred. There has, in fact, been no sale in this stock during the present year.

The fact that the common stock has remained constant under the changing commercial conditions is a fairly strong evidence that no difficulty is expected in the marketing of this year's production at profitable figures.

The large profits which the company is making out of its shell business will not be included in the regular earnings until the war ends. It is believed that the 6 per cent. dividend now being paid on this stock is assured, and at the present price of 61, it yields nearly 10 per cent.

CANADA CEMENT.

The FINANCIAL POST is informed by officials of the Canada Cement Company that the recent increase in the price of cement has not lessened the demand in the least, as far as they have been able to determine the facts. The sales continue to show a gratifying increase over the previous year, while the company's output in its munitions department is attaining very satisfactory and profitable proportions. A small lot of the common sold at 60½ this week, but the ruling price was 60, the figure at which it closed last week. The preferred was stationary at 93.

CANADA BREAD.

While the wheat and flour markets have continued their spectacular features during the week there has been little actual change in the situation as affecting the Canada Bread Company. The advance reported last week has had the effect of improving immediate profits owing to the fact that the company has protected itself as regards supplies of raw material but the outlook is very uncertain. The advance, it is reported, has had practically no effect upon demand as had the earlier increases when many people temporarily started to bake their own bread. The stock market has shown no reflection of the developments, there having been no sales and the quotations of 17 asked and 15 bid standing against last sales on April 10th at 16⅛; 84 is asked for the common and 80 bid.

CONSOLIDATED RUBBER.

Canadian Consolidated Rubber securities continue to fail to attract attention on the stock exchange. There have been no sales for about six weeks and recently there have been no quotations to indicate market opinion.

CITY DAIRY.

Holders of City Dairy common still fail to find any further indication of the values of their holdings from the stock market quotations. There have been no sales for some weeks and the offer of 30 which has been posted for some time fails to interest sellers who themselves submit no price. For the preferred 70 is asked and there are no bids.

CANADIAN SALT.

A small lot of Canadian Salt changed hands early in the week at 134. This price shows no change from that which has prevailed during the light trading of the past fortnight. Latest quotations are 130 bid and 135 asked.

DOMINION CANNERS.

While there has been no activity in the common stock of this company during the past week, there has been some movement in the preferred that has shown a slight tendency toward strength. Saturday of last week showed sales totalling 128 at a steady figure of 90. The sales on Monday totalled 158 at the same figure. The opening day in May, however, saw a considerably increased activity, some 300 odd shares changing hands at prices ranging from 91½ to 92.

While the company has made no statement as to the actual loss sustained in the recent fire in Simcoe, it is generally admitted that the loss is fairly serious, not only in the amount of tin plate destroyed, that under the recent conditions is an item in itself of serious enough nature, but in the destruction of the can making machinery, that faces the company with still more serious difficulties. This plant being idle at the very season when it should be working to its capacity, has complicated the situation for the company considerably. They will be compelled to make new arrangements for procuring the necessary supply of additional cans to make up the deficit, and at the present time this is by no means easy.

J. L. Stocks, General Manager of the Canadian Canners, and Walter Lumbers, of the James Lumbers Co., who is associated with the same company, have returned from the West, where they have been conferring with the wholesale trade. No hint was given as to the probable opening prices, but both gentlemen laid stress on the fact that it was unwise to anticipate any better situation than obtained last year.

GENERAL ELECTRIC.

There has been very light trading in General Electric common during the week and there has been practically no change in the price which last week declined a couple of points. This security is sharing in the general dullness which prevails.

GOULDS MANUFACTURING.

After the light transactions in Goulds Manufacturing reported last week there has been no further trading on the Montreal exchange. Offers of 100 for both the common and preferred are posted but no asked price is quoted.

INTERNATIONAL PETROLEUM.

With a range of 13.75 to $13.25 International Petroleum has shown a slightly easier tendency this week compared with $14.00 to $13.50 last week. Trading has been very light. There have been no new developments recently reported regarding the affairs of this company.

LYALL CONSTRUCTION.

Lyall reappeared on the Montreal Stock Exchange on Thursday morning after an intermission of two weeks, a fifty share lot selling at 69, an advance of five points, from the last previous sale, but eleven points down from the high of the year. The company's output of munitions continues on a very large scale, and the earnings are correspondingly large. The expenditure of the magnificent shell plant has been practically all written off out of earnings, and the company seems likely to be in a very strong position when the shell business ceases. Satisfactory progress is being made with the contracts for the Parliament Buildings at Ottawa, and for the Union Station at Toronto.

MACKAY.

Mackay securities have received a fair share of attention considering the generally dull state of the market. When the common touched 84¾ it was off fractionally from last week, but the

Continued on page 7.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending May 3:

							Range 1917 to April 26	
Banks—	Ask.	Bid.	High	Low	Last	Sale	High	Low
Commerce	...	186	187	186	187	39	188	183
Hamilton	192	...	...	191	191	18	192	190
Hochelaga	145	...	145	145	145	7	145	143½
Imperial	195	...	194½	194	194	90	200½	195
Merchants	170	...	168	168	168	10	170	167½
Molsons	...	183	185	182	182	55	183½	179½
Nova Scotia	257	...	254½	254½	254½	48	257½	253
Royal	213	...	213	212	213	10	214	211
Standard	209	...	209	208	208	6	215	209
Toronto	189	...	189	189	189	10	213	189
Union	...	139½	140	130	139	7	140	136
Transportation—								
Barcelona	11½	11	11½	11	11	460	17	11⅝
Brazilian Trac.	39¼	39	39	37⅞	38⅝	2,554	47¾	37
Can. Steam., com.	38⅜	38¼	40⅛	38¼	38⅝	3,644	40½	29¾
Do., pref.	86½	86¼	88	85	86½	4,636	93¾	83½
Can. Pacific	162	160¼	161	159¾	161	23	166½	149½
Detroit United	115	113	115	114	114	483	128	113
Civic Inv. Pr.	79¼	79	80	79	79	903	82¾	78
Dul.-Superior, com.	...	50	50	50	50	8	51⅛	43
Que. Ry., L., H.	28	27	29½	28	28	1,635	35½	21
Toronto Ry.	...	84	84	80	80	223	90½	76
Twin City, com.	91	90	92	90¼	90¼	21	95	90¼
Telegraph, Light and Power—								
Consumers Gas	...	165	165	165	165	34	165¼	162½
Mackay, com.	85	84¾	85	84¾	84¾	344	90	83½
Do., pref.	65½	65	65¼	65	65¼	68	68	65
Shaw. W. & P.	122	121½	122	121	121¼	427	130½	121¼
Industrials—								
F. N. Burt, com.	85	80	80	80	80	6	85	78
Do., pref.	90	89	90	89	89	12	93½	89
Can. Cement, com.	58⅞	58½	60¼	58¾	59	617	69⅞	56
Do., pref.	93	91½	93	92⅛	92¼	53	95¾	90
Can. Car, com.	30	28	29	28	28	161	46½	25¼
Do., pref.	71	68½	71	69	69	182	89	59
Can. Converters	...	41	...	41	41	5	50	39
Can. Cottons, com.	...	51	51	...	51	10	56	51
Do., pref.	79	...	78	78	78	27	82	76½
Can. Loco., com.	61	59	60	...	...	242	64	52½
Can. Gen. El., com.	108½	107½	108⅞	107½	108	200	115½	108
Dom. Can., com.	24	22	22	22	22	5	41	19
Dom. Iron, pref.	91½	90	...	91½	91½	5	96½	90
Dom. Steel Corp.	59½	59	61⅛	58¾	59	2,335	71¼	52¾
Dom. Coal, pref.	...	92	...	92	92	5	96½	93½
Dom. Textile, com.	83½	83	83⅛	...	83½	565	85	76½
Do., pref.	...	102	105	102	102	30	104	100
Lake of W., pref.	...	123	126	126	126	25	130	124
Lyall Cons.	72	...	...	69	69	50	80	64
Maple Leaf, com.	106½	105	107	105	106½	51	116	100
Do., pref.	94½	93¾	95	94¼	94¼	73	103	92½
Mon. Cottons, com.	...	52	52	52	52	5	58½	50
Do., pref.	...	101½	102	101½	101½	77	103	101½
Mon. Knit., com.	...	40	40	40	40	19	40	35
Ont. Steel	...	23	...	22½	22½	12	30	18
N.S. Steel, com.	92	90¾	95⅞	90¾	91	972	128	88
Ogil. Flour, com.	145	145	145	143	145	275	144¾	137
Do., pref.	112	...	112	112	112	56	115	111
Pacific Burt, pref.	...	80	80	80	80	8	87	80
Penmans, com.	70	69	70	69	69½	5	71	69½
Price Bros.	...	115	115	115	115	5	120	115
Riordon Pulp, com.	115	110	114½	114½	114½	5	126	116
Wm. A. Rogers, pr.	...	90	90	90	90	5	92	90
Russell Motor, pr.	100	100½	105	100½	100½	150	122	100
Sher.-Williams, pr.	...	98	98	98	98	10	100	98
Smart-Woods, pref.	...	98	98	98	98	8	...	...
Span. River P., com.	16½	14¾	17	15	16	155	19	13
Do., pref.	51	49¾	51	50¾	50¾	25	59¼	51⅝
Steel of Can., com.	58¾	58	60	57¾	57⅞	2,465	71½	52
Do., pref.	92½	91½	93	92⅞	92⅞	27	100⅞	92⅛
Toronto Paper	88	87½	88	88	87	545	89	78
Tuckett Tob., com.	18	18	18⅞	18⅛	18⅛	10	22	19½
Do., pref.	79	78	78	78	78	5	83⅞	78
Stand. Chem., com.	14½	12	13⅞	13⅞	13⅞	150	18	...
Wayagamack	74½	73⅞	74	73	73	995	95	79

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The amount allowed to an executor is the same whether he be ignorant of the duties of the position or has had experience, and makes the management of estates his business.

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THE MINORITY REPORT MUST BE FAVORED BY THOSE SEEKING EFFICIENT ADMINISTRATION

Continued from page 1

adian Northern, while the Grand Trunk should lease the Eastern lines of the C. N. R. and operate in Eastern Canada. He would leave the Intercolonial and the Transcontinental as at present. Here we find a continuation of efficient private management with the removal of the evils which resulted in over-construction, a policy which ran wild largely because of lack of efficient government regulation. The idea of dividing the Eastern and Western fields between the Grand Trunk and the Canadian Northern respectively is a novel one, and appears to have much to support it, but it would require careful consideration before adoption.

Mr. Smith's Arguments.

President Smith, of the New York Central, commences his report with a concise history of railway development in Canada. He says that the country early recognized that its growth depended upon the construction of railways. Before Confederation the Grand Trunk was an important railway, serving both Canada and the United States; the Intercolonial was built from public funds to bring together separated sections of Canada. "Long in advance of its justification upon a commercial basis, an all-Canadian transcontinental line was projected by the Government and completed with extensive public aid by a private company as the Canadian Pacific."

Of the comparative value of Government and private railroading President Smith says, cheap transportation depends upon careful and efficient management. In the usual case these are most likely to be found where private initiative and proper incentive to effort are employed. So far, Canada, for the most part, has pursued the policy of leaving to private enterprise the management of its transportation machinery. The Intercolonial, which has been under Government control since its beginning, is an exception. But this line, I am informed, usually pays nothing to the Government as a return upon money invested in the property." He says that there should not be a confusing of railways built for commercial operation and railways operated by Government which relies upon taxation for support.

President Smith calls attention to the fact that the Canadian Pacific was projected as a Government-owned and operated line, but "at an early date, and it seems to me wisely, that purpose was altered; it was decided to have the road completed by a private company." The success of the Canadian Pacific led to the Grand Trunk Pacific and the Canadian Northern transcontinental projects. The result was duplication. "It is unfortunate that Canada did not have a policy of regulation in this period which could have prevented needless duplication of lines and facilities." The policy of public aid, "insofar as it aimed at the development of Canada, appeals to me as sound, and fully justified in its inception, but it needed to be supplemented by some form of supervision that would have ensured to the people the benefits of that policy without the losses that have followed the effort to assist development indiscriminately."

After commending the Canadian Pacific as one of the great successful railways of the world, he issues a warning against subjecting it to unreasonable government competition. He says: "Accorded reasonable treatment, that company will continue, I am sure, to give good service, and I believe the best interests of Canada will be served by continuing the present status of the Canadian Pacific. The introduction of Government railway competition, which might have no regard for investment or cost of operation, would be unfair and, in the end, would react dangerously upon the Canadian people. The regulating power affords to the people of Canada adequate protection in the matter of rates and service, and such power should likewise protect the company."

Of the Grand Trunk, he says that if it is relieved of the financial burden it assumed on behalf of the Grand Trunk Pacific, and "with efficient operating conditions imposed, there is no reason within my knowledge why the Grand Trunk Railway proper should not become a profitable operation. It occupies a good territory, reaching some of the best traffic centres in the United States and Canada, and has American connections that ought to contribute to its welfare. The company needs terminal improvements in cities and modern equipment, especially locomotives. The need for equipment is pressing and should be m[illegible]"

He praises the location of the Canadian Northern in the West; says that its "invasion of the East now appears to have been unwise"; that it is of a type of construction suited to its needs, and "the builders have installed it at a cost which, by comparison, seems small. He says it earns a large proportion of its fixed charges, and declares, "The Canadian Northern is short of equipment. With the return to normal conditions, and provided with the capital necessary for equipment and for additional local facilities, this road can, in my judgment, work its way out in a reasonable time."

"I assume that the existence of these roads through the direct aid and sanction of Government is conclusive evidence of the fact that the people really desire them. That they were built in advance of their need for ordinary commercial use does not appear to me a sufficient reason for condemning the policy of national development." He adds, "Neither do I think that there exists any condition to warrant taking up a new and untried public policy, which may lead to greater difficulties than those which are now faced."

He holds that shareholders of the Grand Trunk should be required to give up their dividends for the present and apply the entire earning to the betterment of the road for a term of years. Of the Canadian Northern, he says investigation discloses evidence of skill in construction and efficiency in management; "I see no reason for a change of management or a reorganization, except as hereinafter suggested."

As to independent management of government-owned roads, President Smith points out that it is impossible for one Parliament to bind its successors to any given line of policy. He states that the plan of Messrs. Drayton and Acworth "would add about a billion dollars to the direct debt of Canada. The interest on this is about forty millions, adding very largely to Government expenses." Their recommendation fails to provide for the taking over of 7,000 miles of railway in the United States controlled by Canadian companies.

The Majority Report.

The majority report reviews the finances of the Grand Trunk, the Grand Trunk Pacific and the Canadian Northern at length. The Grand Trunk liability on account of the Grand Trunk Pacific is $97,301,252 in addition to $26,179,728 already advanced. The Grand Trunk is held responsible for the Grand Trunk Pacific although the government rather than the company is held responsible for the Transcontinental. The Grand Trunk itself requires to extend $51,000,000 to meet deferred payments and put equipment account into proper order. The opinion is expressed that the Grand Trunk control in London is too far from the scene of operations to permit of efficient administration.

The report establishes that the total amount of money that could possibly have gone into the Canadian Northern System is $370,302,451. Out of this possible total a sum no less than $298,253,263 is shown to have been provided by public credit or subsidy. The report establishes that the operation of the Canadian Northern for the year ending June 30, 1916, resulted in a deficit of more than five millions.

The conclusion is reached on the basis of assets and obligations that there is no equity for the shareholders.

Mr. Smith agrees to the conclusions of the majority as to the Canadian Pacific. As to the Grand Trunk Pacific, his report, in part, reads: "The Grand Trunk Pacific was located on a scale that would do credit to any single track line. There is not enough business to justify such an outlay, and the prospect for business which will warrant the cost seems quite remote. For long distances sections of this line parallel one or more other lines."

He finds that the combination of the Transcontinental and Grand Trunk Pacific gives a good line, capable of giving efficient service as a connecting link between eastern and western Canada. He also finds that if the Grand Trunk is relieved of the burden of the Grand Trunk Pacific its operations ought to be profitable; that it occupies a good territory, reaching some of the best traffic centres in the United States and Canada, and has American connections that ought to contribute to its welfare.

In regard to the Canadian Northern, he declares that investigation of the Commission has disclosed evidence of skill in construction and efficiency in management, and that there is ample justification for confidence that the affairs of the company will improve with the return of normal conditions. The plan of Sir Henry Drayton and Mr. Acworth to nationalize the Grand Trunk, Canadian Northern and Grand Trunk Pacific would, he claims, add about a billion dollars to the direct debt of Canada.

Recommendations.

The majority report recommends a non-political commission of five, three of these trustees to be men of the highest railway experience and ability, who will be required to give their whole time to the undertaking; another to be appointed as having the special confidence of and to represent the railway employees; the last, an outstanding man of business, well qualified to advise on financial questions and general business conditions. The two latter trustees are not required to give their whole time, but are expected to give their best assistance and advice as and when occasion requires.

However, the commissioners are to be appointed by parliament and how this can be done without the influence of politics is something which cannot be understood.

Under the report the status of the companies to be acquired remains unchanged. The existing bonds and debentures are simply continued. No new fin-

Continued on page 8.

This Group of Citizens

has been at work for two years on plans concerning Canada's food supply. It now requests the co-operation of the Canadian public.

DOLLAR steaks and two-dollar roasts are not only symptoms of War. Nor mere problems of the household, but matters of Nation and Empire — the result of many years' neglect of a vital industry. Meat should have remained cheap in Canada. Canada should have been selling millions of dollars' worth of beef to foreign countries—yet our luxurious pasture tracts have produced crop after crop of hay, year after year, *in vain*. The small Canadian cattle-farmer has lacked money to "carry" his stock over the occasional periods of scarce feed. Lack of experience, lack of capital, lack of knowledge, lack of interest concerning the ranching possibilities of Canada, have contributed to the raising of beef prices beyond the reach of the poor.

The urgency of these facts so impressed a group of men meeting in Ottawa in 1914 that they formed The National Live Stock Association (now The National Live Stock Board) to consider practical means to relieve the meat shortage and to adopt "every honorable means toward making Canada the greatest live stock-producing nation in the world." Their first efforts were scattered and more or less casual, having to do chiefly with legislation and the gathering of accurate information. Finally, however, thanks to the generous co-operation of Federal and Provincial Governments, they were able to undertake to help into existence small ranching companies. Ten of these were assisted with their preliminary expenses and charter fees by the Association.

ON THE PAGE OPPOSITE TO THIS appears the first advertisement of a much larger ranching enterprise, the British Cattle Supply Co., Ltd. This company is the logical outcome of our Association's efforts to promote cattle-raising. Not one of the small ranching companies has earned less than 25 per cent. per annum. Their success makes clear the great possibilities for a wholesale ranching corporation. The President, General Manager and Board of Directors have been assembled from among the shrewdest and most experienced cattle and abattoir men in America. The company has acquired, with the counsel and co-operation of the Association, over half a million acres of the finest ranching lands in the Dominion, and 1,500 breeding cattle. These services have cost, and will cost, the British Cattle Supply Company nothing. Not one acre of land nor one animal has been subject to "profit-taking" by any middleman. In this new company there is no "promotion stock," and in placing its shares on the market the company pays no commissions. The British Cattle Supply Company will start operations with all its paid-up capital intact.

These being the facts, and knowing, as we do, the incomparable possibilities of ranching in Canada, especially on the scale proposed, we ask, without hesitation, the support of the Canadian investing public for the coming issue of the capital stock of the British Cattle Supply Co., Ltd. The company's advertisement appears on the opposite page.

National Live Stock Board

Chairman:
Peter Talbot

Vice-Chairman:
Nelson Monteith

Secretary:
R. H. McElroy

British Cattle Supply Company
Limited

Offers for public subscription one million dollars of common stock of the company, issued at par value, $100, and payable 40% upon allotment, 30% in 12 months and 30% in 18 months.

THE formation of this company is primarily due to the desire of public-spirited men to combat, with practical measures, the Empire's meat shortage, and to restore and augment the breeding herds of Canada as a source of national wealth. This company proposes, therefore, to enter upon the business of cattle-ranching on a scale consistent with the extraordinary world shortage and the incomparable natural advantages of the Dominion of Canada, both in respect to feed resources and accessibility to the chief centres of demand.

Over half a million acres of well-watered, sheltered and luxuriant pasture-land have been secured in the Vermilion River district in the Province of Alberta, and a herd of ten thousand breeding animals, of which 1,500 have already been purchased, is now being assembled, it being the plan of the company to have a permanent herd of 75,000 head upon its lands within four or five years.

Estimates of profit are based upon the fact that the average cost of raising an animal for market is $20. The average market price to-day is $125—and the lowest average in the past ten years is estimated at approximately $84. Having in view the wholesale destruction of the French and Belgian herds, and the long-continued decline of the world's cattle population, it is difficult to foresee any recession in prices, at all events not below the lowest average above referred to.

DROUGHT is unknown in the company's territories. Failure of the hay crop is not recorded in the history of these areas. A reserve of winter feed is always available from the company's lands at a nominal cost. Winter storms, which might be disastrous to herds grazing on *flat* prairie, are eliminated as a factor in this situation, owing to the rolling nature of the ground and the thick undergrowth on the hillsides. Disease will be guarded against by an arrangement whereby the Government of Alberta assures the company of free veterinary inspection of every beast before it is placed on a ranch, and a free monthly inspection thereafter.

The active direction of the company is in the hands of the following men:—

President and Treasurer, T. E. Good (*formerly General Manager and Treasurer of the Union Stock Yards, Toronto*).

General Manager, Harry Talbot (*formerly Head Buyer, William Davies Co., Ltd.*).

Secretary, R. H. McElroy, M.P.P.

Directors:—F. H. Carlin (*General Manager, Montreal Stock Yards*).

S. M. Boren (*ex-president, United States National Live Stock Association*).

C. R. McKeown, M.P.P.

J. H. Fussell (*Vice-President, Fussell-McReynolds Co., Ltd.*).

A. N. Lambert (*Manager and Treasurer, Winnipeg Stock Yards*).

A. C. Garden (*Manager, National Drug Company, and Hamilton Harbor Commissioner*).

Wm. G. Beamish (*Manager, Meat Department, T. Eaton Co., Ltd.*).

D. B. Wood (*General Manager, Wood Milling Company, and formerly President Hamilton Board of Trade*).

J. C. Doane (*Vice-President, Winnipeg Live Stock Exchange*).

Applications for allotment should be made direct to any branch of the Royal Bank of Canada in Canada or direct to the company's head offices.

British Cattle Supply Company
Limited

EXCELSIOR LIFE BUILDING, TORONTO

NEWS OF SECURITIES

Continued from page 5

great bulk of the sales were at 85. The preferred was firs at 65¼.

MACDONALD.

At the annual meeting of the A. Macdonald Company held in Winnipeg, the report was presented and all the old directors of the company re-elected. A proposal to reduce the common stock from $3,000,000 to $1,000,000 was made but nothing was done in the matter. A suggestion was submitted for the reorganization of the preferred stock, but it met a similar fate. No dividend was declared on the preferred stock.

There has been no trading in the stock recently. In Montreal 12 is offered against 15 asked for the common.

MONTREAL LOAN.

The sale of thirty-five shares of Montreal Loan and Mortgage stock, on Monday, was the first transaction in the company's securities that has taken place on the Montreal Exchange for some time. The stock is principally in the hands of investors, who appear quite satisfied with their dividends. The selling price of 165 was unchanged from the last previous quotation. Last year's high was 165.

MONTREAL TELEGRAPH

Thirty-five shares of Montreal Telegraph stock changed hands at 136 on the Montreal Stock Exchange recently. This is the first sale of a board lot that has taken place this year. The price was equal to the high of last year. The Montreal Telegraph Company is a consistent performer, as its 8 per cent. dividend is guaranteed for about three-quarters of a century yet, under its contract with the Western Union Company. In addition to the 8 per cent. dividend, a bonus of 1 per cent. a year is paid out of the revenue derived from the investment of the company's sinking fund. In the "Thirty Years Ago" column of the Montreal Star, an item appeared a few days ago, stating that "war is on between the Montreal Telegraph Company and the G. N. W., the Montreal Telegraph threatening criminal prosecution of the directorate of the G. N.W. for failure to comply with the law in regard to the paying up of their capital."

ONTARIO NATIONAL BRICK.

No arrangements have been made as yet for the resumption of manufacturing operations by the Ontario National Brick Company, and THE FINANCIAL POST hears that a reorganization of the company is in contemplation. Something will have to be done pretty soon, as the period of grace provided for when the bondholders agreed to accept bonds in lieu of their coupons for 1915, 1916, and 1917, will expire with the end of this year. If the company does not resume operations this year, there will be nothing to pay interest with, and the light demand for bricks does not offer any great encouragement. The company has a fine plant, and the shale found on its land from which the bricks are made is of a very superior quality for the purpose. The capital stock authorized and outstanding is $2,000,000. The company's funded debt is a $1,250,000 issue of first mortgage bonds.

ROGERS.

Although there has been no trading in the Rogers securities recently a somewhat better market is indicated by the fact that 70 is being asked for the common against last sales at 65; however there are no bids recorded. For the preferred 90 is offered which is on a par with last sales; holders do not appear to be interested at this price. Reports as to the operations of the company continue to be very satisfactory.

RUSSELL MOTOR.

Continued weakness of the market for Russell Motor securities has been in evidence this week. There are no official reports as to the company's operations to indicate important change in the intrinsic value of the company's stocks but the general market tendency is no doubt a factor, particularly in its application to munitions and motor stocks. These stocks have been subject to broad fluctuations under war conditions. There have been no sales in the common during the week but offers at 70 have not attracted any attention. Last sales were at 74 compared with 84 two weeks ago. The preferred has dropped to 100½ which indicated a decline of about 5 points since last week and of about 15 points for the last fortnight.

STANDARD CHEMICAL.

Standard Chemical securities have been somewhat affected recently. The common which sold at 15 about the middle of April has declined to 13¾ and recent quotations are 12 offered against 14½ asked. The preferred which sold last week at 50 has declined to 49, with that figure still being offered against 51 asked. There appears to be no other explanation for the adjustment than the general trend of the market.

TUCKETT TOBACCO.

On a board lot transaction of 25 shares Tuckett Tobacco common this week showed a decline of half a point at 18½ as compared with the last previous sale; the preferred sold at 78 the latter part of last week, showing no change.

SMART-WOODS.

The week has seen no trading in Smart Woods securities but an improvement in the market for the preferred was indicated by the fact that 85 was asked against 80 bid, the latter being the price at which the last transaction took place. There were no quotations on the common.

WINNIPEG ELECTRIC.
Features of Annual Statement Recently Presented.

Owing to the fact that no dividends were paid by the Winnipeg Electric Railway Company during 1916, the position of the company was considerably improved as a result of the year's operations. The surplus has been augmented by nearly half a million dollars, and now stands at $1,128,075. Gross earnings for the year, as disclosed by the balance sheet, were $3,311,169, which was about $350,000 less than in 1915. On the other hand, operating charges were considerably reduced, so that the net operating revenue was slightly greater than in 1915.

Fixed charges amounted to $952,887, an increase of nearly $120,000. It is impossible to show just how this increase was produced, as the items are not classified in the same way as in the 1915 statement. There is, however, a new item, sinking fund requirements, which would account for half the increase. The net income was $445,251, which is $35,742 less than the net for 1915.

The system of accounting has been altered to meet the requirements of the Public Utilities Commission, and as a result there are numerous changes in the balance sheet for 1916. There is included as an asset advances to and stock held in subsidiary companies amounting to $1,772,868, while the funded debt of subsidiary companies is now listed as a contingent liability. A depreciation reserve of $2,873,780 makes its appearance in the statement of liabilities.

The reduced earnings of the year are accounted for by the increased cost of materials and the competition of the jitneys, but the hope is expressed that with a return to normal conditions revenues may show satisfactory increases.

Following is the showing of the company for the past three years:—

	1914	1915	1916
Gross	$4,101,302	$3,663,895	$3,311,169
Charges ...	2,416,209	2,332,158	1,939,041
Net	$1,685,093	$1,331,737	$1,372,128
Misc. Income	....	.....	26,010
	$1,685,093	$1,331,773	$1,398,138
Fixed Chrgs	690,482	835,635	952,887
Net	$ 994,611	$ 496,102	$ 445,251
Dividends ..	1,080,000	855,000	......
	*$ 85,389	*$ 358,898	*$ 445,251
Prev. bal. ..	901,697	1,141,496	682,824
Surplus	$ 816,308	$ 782,598	$1,128,075

*Deficit.

BUSINESS TAKES A MORE SERIOUS VIEW OF THE WAR.

Continued from page 1

with the increasing demand. These views will no doubt be set forth at the inquiry into the whole question of paper prices which is to be conducted before R. A. Pringle, K.C., at Ottawa. The enquiry will start on Tuesday next.

April Customs Figures.

Trade and financial statistics continue to show a healthy state of affairs, although as shown by the Customs receipts for the month of April, the amount of money being expended on foreign goods is large.

CUSTOMS RECEIPTS FOR APRIL.

	1917	1916	Change
Toronto	$3,650,000	$2,767,307+	$882,693
Brantford ..	93,458	56,$$$+	37,458
Peterboro ..	78,507	51,177+	27,330
Guelph	50,577	37,937+	12,640
Ctratford ..	49,461	35,020+	24,441
Simcoe	47,293	20,471+	26,822
Galt	54,902	38,902+	16,000
Paris	23,525	18,337+	5,188
Chatham ...	128,955	49,572+	79,383

At the annual meeting of the Canadian Express Company, held on Wednesday, E. J. Chamberlain was elected chairman of the board; John Pullen, president; and Frank Scott, secretary-treasurer. The directors elected for the ensuing year were: E. J. Chamberlain, John Pullen, W. H. Biggar, Frank Scott, J. E. Dalrymple, H. G. Kelly and Hugh Paton.

Robert Cassels W. G. H. Browne

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Consider the Cost

A fact not generally understood by those drawing up a will, is that the highly specialized and competent services rendered by a Trusts Corporation cost no more than the uncertain service of an individual trustee.

When you consider that your estate will receive the benefit of experience gained in the management of many estates, your heirs will be assured the utmost protection.

When you make your will, why not insure efficient and economical management of your estate, by appointing this Company as Executor and Trustee?

We make no charge for assisting in drawing up your will—and will store it in our Safety Deposit Vaults free, when we are named as executors.

An officer of the company will be pleased to give you full information and advise on wills.

THE
STERLING TRUSTS CORPORATION
President W. S. DINNICK
Managing Director HERBERT WADDINGTON
80 KING ST. EAST · TORONTO
Telephone Main 2717

MONEY, BANKING AND EXCHANGE

Bank Clearing for the Dominion are 45.6 per cent. Ahead of Last Year — For April the Gain was 47.2 per cent.

Bank clearing returns made to THE FINANCIAL POST for the week ending Thursday last compared with the corresponding period last year show a gain for the Dominion of 45.6 per cent. In the West 120 per cent. and in the East 18.5 per cent. Winnipeg showed a large gain of 157.1 per cent., which compares with a gain for the previous week of 111.5 per cent. Other cities to show large gains were, Calgary, 75.7; Lethbridge, 69.0; Medicine Hat, 56.0; Saskatoon, 48.5; Brantford, 49.0. In the East, Sherbrooke, 47.2; Montreal, 22.8; London, 20.5, and Ottawa, 17.4 per cent. For the year to date the gain was 29.7 per cent.

WEEKLY BANK CLEARINGS.

In comparison with same week last year.

Eastern Cities.

	May 3, 1917.	Change.	%
Montreal	$ 96,380,501 +	$ 17,890,806	22.8
Toronto	63,528,236 +	7,830,717	14.0
Ottawa	6,666,546 +	989,172	17.4
Hamilton	4,961,184 +	622,544	14.3
Quebec	4,687,170 +	491,852	11.7
Halifax	2,816,801 +	307,999	12.3
London	2,533,999 +	430,867	20.5
St. John	2,094,502 +	132,392	6.7
Brantford	981,482 +	322,828	49.0
Peterboro	662,073 +	68,388	11.5
Sherbrooke	786,705 +	252,385	47.2
Kitchener	565,296 —	97,515	14.7
Total, East	$186,664,495 +	$ 29,241,835	18.5

Western Cities.

	May 3, 1917.	Change.	%
Winnipeg	$190,640,605 +	$ 61,496,240	157.1
Vancouver	8,004,440 +	1,894,169	31.0
Calgary	7,032,094 +	3,031,722	75.7
*Edmonton	......	......	....
Victoria	1,737,417 +	244,217	16.3
Regina	2,830,905 +	738,357	35.3
Saskatoon	1,845,505 +	602,583	48.5
Moose Jaw	1,086,423 +	17,878	1.6
F. William	607,473 +	86,747	16.6
Brandon	694,445 +	159,378	29.8
Lethbridge	900,042 +	367,531	69.0
N. Westmi'ster	339,551 +	30,778	9.9
Medicine Hat	642,058 +	230,378	56.0
Total, West	$126,360,968 +	$ 68,899,978	120.0
Gr. total	$313,025,463 +	$ 98,141,813	45.6
Year to date	$4,011,612,716 +	$919,225,394	29.7

*Returns not received at time of going to press.

April bank clearings for the whole of Canada showed an increase of 47.2 per cent. as compared with April, in 1916. At Western points the gain was 85.9 per cent., and in the East 32.4 per cent. Comparative figures for the month follow:

MONTHLY BANK CLEARINGS.

In comparison with same month last year.

Eastern Cities.

	April, 1917.	Change.	%
Montreal	$344,245,448 +	$ 74,299,700	27.6
Toronto	263,225,159 +	76,954,958	41.3
Ottawa	23,528,121 +	4,712,214	25.0
Hamilton	19,700,732 +	4,572,029	30.2
Quebec	17,342,986 +	2,875,726	19.2
Halifax	11,642,071 +	2,626,804	29.1
London	9,842,802 +	2,083,048	26.8
St. John	9,980,441 +	3,281,938	49.7
Brantford	3,357,715 +	742,028	28.4
Peterboro	2,622,597 +	704,083	36.3
Sherbrooke	2,590,563 +	470,067	22.1
Kitchener	2,567,848 +	352,369	15.9
Total, East	$710,646,483 +	$173,674,964	32.4

Western Cities.

	April, 1917.	Change.	%
Winnipeg	$271,543,933 +	$140,536,022	107.3
Vancouver	30,333,013 +	8,473,613	38.8
Calgary	28,954,474 +	12,657,852	78.1
Edmonton	10,876,054 +	1,878,199	20.9
Victoria	6,931,714 +	1,288,923	22.8
Regina	11,822,927 +	4,772,492	67.6
Saskatoon	7,410,683 +	3,025,707	69.1
Moose Jaw	4,864,113 +	1,414,267	41.1
F. William	2,113,474 +	278,314	15.2
Brandon	2,324,559 +	290,623	14.3
Lethbridge	3,650,983 +	1,772,380	95.8
N. Westmi'ster	1,263,763 +	234,161	22.8
Medicine Hat	2,720,975 +	1,245,561	84.7
Total, West	$384,790,665 +	$177,868,114	85.9
Gr. total	$1,095,437,148 +	$351,543,078	47.2

U. S. BANK CLEARINGS.

Bank clearings in the United States for the week ending April 26 aggregate $6,034,548,000, against $5,945,405,000 last week and $4,384,975,000 in this week last year, an increase of 38.3%. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	April 26	I. or D.	April 19
New York	$3,662,472	I 37.3	$3,453,373
Chicago	501,101	I 36.8	520,778
Philadelphia	333,282	I 55.0	370,607
Boston	250,835	I 24.6	224,343
St. Louis	132,787	I 50.0	140,394
Kansas City	137,533	I 68.2	134,124
San Fran	89,376	I 48.5	91,062
Pittsburgh	82,047	I 6.1	78,440
Cleveland	59,297	I 61.5	69,432
Detroit	55,373	I 42.3	63,587
Baltimore	39,764	I 3.8	42,394
Cincinnati	36,740	I 24.1	39,915
Minneapolis	30,675	I 41.0	36,135
New Orleans	34,844	I 75.8	37,727
Los Angeles	29,467	I 12.4	33,155
Omaha	31,267	I 50.3	36,179
Milwaukee	22,592	I 27.8	25,620
Atlanta	21,006	I 57.8	26,882
Louisville	18,863	I 12.1	20,473
Richmond	26,074	I 65.5	26,028
Buffalo	17,211	I 39.5	17,993
Seattle	21,906	I 52.7	22,892
St. Paul	13,597	I 8.8	13,950

MONEY.

Call money in London remains unchanged this week at from 4 to 4¼ per cent. In New York, on the other hand, there has been a stiffening of rates, the price of money going as high as 4¼ per cent. There was a recession from this level to around 3 per cent., while yesterday the price firmed up again to between 3½ and 4 per cent. Requirements in connection with the new United States war loan have been the direct cause of the rise, which has been a general all-round one. What the effect of American war financing will have on rates in Canada is as yet problematical, though it is not without significance that the banks have been putting the curb on borrowing during the last few weeks and generally holding the situation in hand.

EXCHANGE.

Both British and French exchanges have been notably steady during the week, while Russian exchange, reflecting the unsettled conditions in that country, has been steadily declining.

Demand sterling has been quoted all week at from 4.75 9/16 to 4.76 and cables at 4.76 to 4.76 7/16. Francs have ranged from 5.72 to 5.71¼ for demand and 5.71 to 5.70¼ for cables.

Roubles opened the week at 28.10 and 28.25 for demand and cables respectively and sold down to 27.70 and 27.80. Yesterday they were slightly firmer at 27.90 and 28.00. There is evident uneasiness in New York over the Russian situation, and insiders are understood to have unfavorable information which has not yet reached the public.

The lire opened the week at 7.01 for demand and 7.00 for cables, sold off to 7.06 and 7.05, and then recovered to 7.01 and 7.00 again.

New York funds have been steady all week around 7/16 per cent. premium, with little or no fluctuation. The movement of grain is commencing, and should ease off the situation a little. Indications at present point to a fairly steady market, with a downward tendency in rates.

MONTREAL.

Pte. Alvin Spencer Trow, of Stratford, who before enlisting was employed in the Bank of Montreal at Winnipeg, is reported as being killed in action on April 9. It was while on a visit to Toronto that Pte. Spencer enlisted, and since July has been in the trenches.

THE MINORITY REPORT MUST BE FAVORED BY THOSE SEEKING EFFICIENT ADMINISTRATION.

Continued from page 6

ancing or additional burdens are necessary, excepting for the purpose of providing for present floating company indebtedness and required increases in rolling stock and facilities.

In so far as the shareholders' equities are concerned, the report suggests that these be met by the payment of such annual proportion of the earnings of the system as may fairly be allowed, having regard to the present financial positions of the companies and their potential earning power, the exact proportion to be determined by agreement or by arbitration, if necessary. If the report be adopted no new capital will, therefore, be required for existing stock issues.

Mr. Smith specifically recommends:

(1) Amend the regulating policy so that the Railway Commission may have jurisdiction over all railroads in the matter of maximum and minimum rates, the issuance of securities, the building of new railways, or the extension of lines, and other matters properly within the scope of Governmental supervision.

"(2) Create a Board of Trustees, consisting of two Government officials and three private citizens, to act for the Government in the matters hereinafter proposed.

"(3) Relieve the Grand Trunk Railway Company of its obligations to lease the Transcontinental, and require the company to relinquish all claims upon the Transcontinental; require it to lease to the Board of Trustees the Grand Trunk Pacific Railroad properties at a rental amounting to the net annual fixed charges; require it also to take under lease the Canadian Northern properties east of North Bay and Parry Sound and pay as a rental the net fixed charges on those properties. The time of the lease should be for twenty-one years.

"The Grand Trunk's investments other than railroad in the West may be disposed of by the company as it may elect, and in accordance with its best interests.

"(4) Require the Canadian Northern Railway Company to confine its operation to the field west of Winnipeg. Relieve it of the line east of Winnipeg by leasing for twenty-one years to the Government Board of Trustees at a rental of the net annual fixed charges. Require it to take a lease of and to operate for the same period the Grand Trunk Pacific Railway and its branch lines, paying as rental the net annual fixed charges upon these properties; except that until seven years after the end of the war they shall have immunity that was promised the Grand Trunk Pacific for a period of seven years after construction, and that they shall not be required to assume any of the extraneous investments of the Grand Trunk's system in the West.

"(5) Lease the lines between North Bay and Winnipeg (except the Canadian Pacific's) for a term of twenty-one years to either the Canadian Northern or the Grand Trunk (or in the event neither applies, to any other qualified company), requiring the lessee to furnish the necessary capital for new equipment, and to maintain and operate the lines on the best terms that can be made; terms that would give the best service needed at lowest cost to the Government being regarded as best. Either the Government or the lessee should build a connecting line of about thirty miles near Long Lake, Ontario, to protect the better working of the two lines.

"(6) The Government and companies should have the option of terminating, after ten years, any of the leases upon equitable terms."

BANKER AND RETAILER.

Out in Larrabee, Iowa, F. C. Huber is the owner of an unusually prosperous and progressive general store, and one of the reasons for his prosperity is the close relationship between him and the local bank, says the *Journal of American Bankers' Association*. The bank always knows where Huber stands. There is never any doubt. He discounts his bills; he keeps up his collections, or he and the bank know the reason why.

Every day he puts on the desk of his banker a statement of the total sales of the day before, with a statement of the profit or loss; a statement of the stock on hand; the amount of outstanding accounts; a summary of the money he owes to jobbers, manufacturers, and others; and all this information, in summarized form, is given for the current month up to the date of the report.

"I don't know how often he looks over those reports," said Mr. Huber, speaking of his banker, "but he has them when he does want to know about my business, and I do know that this plan has made us understand each other a good deal better. He has a binder in which he puts all these reports for instant reference, and we are both making money."

Bankers Should Be Interested.

The Associated Advertising Clubs of the World has organized a new department, with the counsel of many of the biggest experts in the country and with the aid of Harvard University and others, which hopes to multiply the breed of merchants like F. C. Huber, and no one could be more vitally interested, surely, than the bankers of the country.

This applies most especially to the banker in the smaller community, both because his business is largely with the local merchants and because it is the merchant in the smaller place, as a rule, who especially needs help. The big city merchant can well afford to employ expert accountants to lay out and to operate business records that will show him and his bankers just where he stands at all times. It is the little merchant, especially, that the advertising men have planned to help, and it is for him that business record systems have been devised that are so simple that he or his present bookkeeper can easily keep them.

How Banking Becomes Safer

When a merchant gets one of these business record systems well under way, the banker with whom he does business is going to be safer for several reasons:

1—Because the bank will know just where the merchant stands every day, either through receiving daily reports, or through gaining this information when loans are asked.

2—Because a merchant who has the figure facts about his business is a safer man to deal with on general principles. Knowledge of the figure facts gives him control of his business.

3—Because, along with the business records, there will go an advisory service that will enable the merchant to interpret the facts he learns about his business.

4—Because he and many others in his same line, in towns of similar size and character, will have their information on a common basis. They can speak in a common language and compare results.

The association has believed the supplying of systems should be undertaken in a national way and on a very large scale for two reasons:

First—By supplying a large number of them, it will be possible to furnish them and the service that will be rendered in connection with them at a nominal price.

Second—By installing the same system in a large number of stores in each line, so that each of a large number of merchants will have the same facts, it will be possible, through the service department of the Associated Advertising Clubs at Indianapolis, in co-operation with the Business Research Bureau of Harvard University, to compare results in various communities, and this to give a local merchant the advantage of the experience of many other merchants in the solution of his problems.

Advantage of the Records.

The proposed records, though simple and easy to keep, will afford the retailer a perpetual inventory, showing him among other things:

The total capital tied up in his business.

The total of his outstanding accounts (at all times).

What parts of his business are making and what parts are losing money.

What classes of goods sell rapidly; what slowly.

How many turnovers he gets a year on the line as a whole, and in each department of his business.

How much each sales person is selling and, therefore, earning.

Just what, at all times, he owes.

Those are only a few of the things

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Capital Paid Up - - 12,900,000
Reserve and Undivided Profits, 14,300,000
Total Assets - - - - 270,000,000

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Thirty-three Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

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WESTERN VIEW OF PROBLEMS OF IMMIGRATION

Mr. Marnock Replies to the Arguments of J. E. Martin.

DECRIES LAND SPECULATION

Contends That Development of the Country Has Been Hindered by Attitude to Those Who Hold Raw Land for Profit.

This article was written at the request of THE FINANCIAL POST by G. R. Marnock, president of the Lethbridge Board of Trade, in reply to an article by J. E. Martin, of Minneapolis, which has appeared in these columns.

No sensible person will quarrel with that part of the lengthy disquisition on Land Settlement in Canada recently broadcast by Mr. J. E. Martin, of Minneapolis, which deals with the bad principle of limiting the amount of personally-owned farm machinery and livestock that a new arrival may bring into Canada. Due safeguards against the misuse of such a privilege could easily be made. The regulations as they stand are a survival from the days when the only farmers who were coming into Canada were quarter-section farmers with their little store of implements; but with conditions such as now obtain in the Lethbridge District, where hardly any of the new settlers are buying less than a half-section, and many of them a whole section and more, they should be encouraged to bring their full equipment with them so as to let them get quickly settled to the business of the fullest production possible. There are, however, signs that this matter may soon be adjusted fully to the satisfaction of both newcomers and old residenters, by the adoption of a policy of letting in livestock and all agricultural implements either free or at much lower rates of duty than have hitherto prevailed. It is certain that very soon after peace is declared our friends in the East will re-discover the truth that had dawned on them in 1913, that their business was in poor shape if things were not well with the Western farmer.

But all the rest of Mr. Martin's remarks are a case of special pleading for the men who bought Western lands just as so much merchandise, to be turned over at a profit. That they helped to advertise such lands and did their best to find buyers was, of course, part of their business. Nobody in the West could wish that they should not be successful in selling their lands to farmers who will put them to good use. Our side of the story is that *we* are the people who have to live with these farmers as fellow-citizens; *we* are the people who have to do business with them all our lives; whereas Mr. Martin and his friends have but one transaction with them; *they* take their profit, and then it is a case of "Home he's gone and ta'en his wages." It is natural, therefore, that we wish to see the incoming farmer get his land at such a price that he may make a profit on his labor; and we are not averse, either, to seeing him get a share of the increment in land values which he helps to create by his efforts.

A Case of Undevelopment.

Answers to Mr. Martin's criticisms will perhaps be more readily understood if these are applied to a definite case. Everybody in this District is gravely concerned in regard to the withholding from development of an enormous tract of five hundred square miles of land within a short distance of the City or Lethbridge. Briefly, the history of this area is this: These lands formed part of a land grant given by the Government to the old Alberta Railway and Irrigation Company fifteen or twenty years ago, in consideration for their developing the the now highly-successful Lethbridge irrigation plant. The Company was often embarrassed for lack of capital to carry on its pioneer enterprise of railway and irrigation development; so about eight or nine years ago, these lands were sold to whoever would buy them, at low prices around five or six dollars an acre.

A considerable part of the area is still held by original buyers; but in other cases the lands have changed hands among speculative buyers at increased prices. The present writer used to inquire in 1911 and subsequent years why it was that these splendid and fertile lands were not developed. The reason at first given was, the lack of a railway. The C.P.R. built right through the heart of the District in 1911 and 1912, and so that reason was removed. But still no development took place. And, to cut the story short, these lands remain still as virgin prairie, with the exception of a farm here and there; just enough in fact to show the splendid possibilities for grain and livestock raising.

The C.P.R. naturally hoped that their enterprise in building this road would be rewarded by the development of heavy traffic; and, in face of their discouragement in that regard, as year after year went by, it required all the combined efforts of the people in Lethbridge and the farmers who were settled further out in the direction of the line to get the railway company to extend into that homesteaded territory beyond. Their enterprise in building beyond the uncultivated area has been rewarded by very heavy grain traffics from Foremost on to Manyberries, a distance of some forty miles. But the uncultivated stretch of fifty miles still remains between Stirling and Foremost.

Taxes Not a Burden.

Now Mr. Martin is very voluminous in his writings about the iniquities of the wild land tax, and the unearned increment tax and so on. What about those few farmers who are already in the district described and who are demonstrating the farming value of these lands? They cannot build the roads they want; they cannot get the schools they need for their children; and, in short, they have to put up with pioneer conditions until the land merchandisers make up their minds to sell. Does a wild-lands tax of six or seven dollars on each 160 acres seem too much for the privilege of holding these lands out of cultivation?

None of the original holders from the A. R. & I. Co. can complain about what they paid for their land. It was not the people of Alberta or of Canada who sold any of these lands at higher prices. Why then complain of such taxes as are levied now to help in general development?

We cannot be expected to waste any public sympathy on people who are retarding the development of our country. If they bought their lands at low prices, let them take a reasonable profit and be done. If they paid too high prices, surely the best thing they can do for themselves is to cut their loss.

There is hardly at any time to be a better opportunity for selling than now. Crops of wheat of forty and fifty bushels in 1915, and thirty and forty in 1916; favorable weather conditions for another big crop in 1917; high prices likely until the world scarcity is caught up, even if the war should end to-morrow; farmers on high priced land in the States eager to come to Canada with their families if land at reasonable prices is available—surely land-merchandisers who are weary of paying taxes will avail themselves of the opportunity to quit.

The Board of Trade at Lethbridge will willingly do what they can to help make sales if holders show a disposition to sell.

Land prices are firm, and slightly higher than they were at the last considerable auction sale of school lands in this District, when some 250 quarter-sections were sold at an average of $14 per acre.

But we have to live with and do business with these in-coming farmers; and we want to see them buy land on which they can grow grain and livestock that will show them profits through the years that are to come.

A Lesson Learned.

With regard to complaints regarding legislation adverse to the security of mortgage loans on lands, the best assurance that can be given that there is nothing more to fear in this direction is that the farmers' organization now fully realize that any legislation that impairs a first mortgage security reacts against every farmer who wants to borrow money. The conferences carried on by the Joint Committee of Commerce and Agriculture have cleared the air, and our legislators realize now that our farmers want to be honest and fair in their dealings and that legislative acts which may enable dishonest men to evade their obligations are not appreciated. If any further assurance is required, it is provided in the fact that all the Western Provincial Governments are now in the land mortgage business themselves, and that their transactions will be subject to the same laws that apply to other lenders.

N. S. ASSIGNMENTS ACT

An Amendment is Being Asked by Member of Legislature

The Nova Scotia Legislature is being asked by Mr. Cameron, one of the Cape Breton members, to amend the "Assignments Act" by providing that "Where prior to making of the assignment, an execution against the goods of the debtor has been lodged with the sheriff of the county where the said debtor resides and carries on his business, to levy on personal property of the assignor the assignee shall, prior to the distribution of dividends to the general creditors, pay in full to the creditor whose execution is first placed in the sheriff's hands the taxed costs of the judgment including the fee for the execution and the fees and charges of the sheriff."

Reporting on April 27, W. J. Ptolemy, Deputy Provincial Treasurer of Manitoba, stated that rural municipalities had so far borrowed from the Government $360,000 for the purchase of seed grain. An appropriation of $500,000 was made for this purpose, but total borrowing will not likely exceed $400,000.

SHORTAGE OF TIN PLATE AFFECTS CANNING TRADE

Great Difficulty in Getting Supplies From England.

U.S. TALKS OF EMBARGOES

American Exports May be Restricted —Canners Being Asked to Concentrate on Perishable Food Products.

By J. L. Rutledge, Editor Canadian Grocer.

A serious situation is facing the canning industry owing to conditions in the tin plate market. These conditions are such that there is a grave possibility of an actual famine in this department. There are several reasons for this; the first and most important is the fact that 50 per cent. of the world supply of pig tin comes from Europe, and naturally, this supply has been materially curtailed. Another feature of the situation that holds possibilities of danger is the difficulty experienced in getting the necessary supply of steel for the making of the tin plate. American steel mills are running at capacity turning out munitions, and it is difficult to get steel for other requirements.

To mitigate these conditions as much as may be the American Government and the railways have agreed together to take all means in their power to expedite the handling of scrap tin and tin generally. It is believed, too, that even should the Government take over the munition factories, as has been frequently hinted, there would be enough steel available for the needs of the tin plate makers.

Of recent date there has grown up in the United States a tendency to favor embargoes. An influential canning trade journal is urging its subscribers to press for an embargo on tin plate and tin cans under the House Bill No. 3216, which is a bill empowering the President to declare an embargo on any product intended for export if needed in that country. It is noted on the authority of the Department of Agriculture of the United States that over 5,000,000 boxes of tin plate were exported during 1916, with the exception of about 1,300,000 boxes, which went to Canada, it is not used for food purposes.

For some time past there has been a general feeling that there was sufficient tin plate to take care of the demand. At a recent conference of tin plate makers convened at the instance of officers of the American Government this bubble was heartlessly pricked. It was stated that the situation was so serious that should one cargo of pig tin of 1,200 or 1,400 tons destroyed either wilfully or othertons be destroyed either wilfully or otherwise the tin plate manufacturers be almost impossible to successfully meet.

There seems to be no reasonable shadow of a doubt that there is an actual scarcity, and that under the best situation that can be devised, the supply is not equal to the demand. Last year the consumption of tin cans on this continent, including the Hawaiian Islands, reached the astonishing total of 2,850,000,000, and that in a year when there was a pronounced scarcity of all canning products. Market reports indicate that the continent is practically bare of canned goods. This will naturally encourage a still greater demand. One authority estimates the requirements of cans for the coming year at 3,200,000, while still others set the figures very considerably higher. To meet this increasing demand there is a constantly dwindling supply. What effect has this on prices? Take the average price of tin plate over a period of five years. It is found to be $3.46. Last year it rose to $5, which was one of the outstanding causes for the high price of canned goods during the past year. This year it has already reached the figure of $7.00, with the very strong probability that it will reach $8.00 at any time.

A Comparison of Prices.

While this information deals largely with American conditions, it is of intense moment to Canada, as practically all her tin plate comes from American mills and a goodly part of the cans used are also imported. In this connection it might be interesting to note a comparison of can prices of last year and this:—

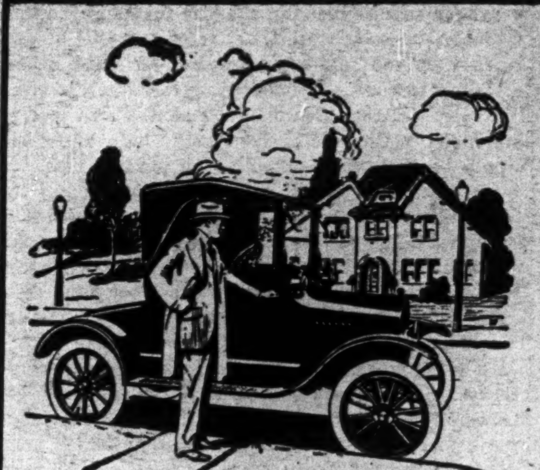
Open top Can.	1916.	1917.
No. 1..	$11.15 per M.	$17.25 per M.
No. 2 ..	15.00 per M.	35.00 per M.
No. 3 ..	20.25 per M.	65.00 per M.
No. 10 .	45.50 per M.	71.50 per M.

So serious has this actual can situation become that the Secretaries of Agriculture and Commerce of the United States have sent the following letter to the different canning interests asking them to co-operate and to limit the canning of the non-perishable food products, such as beans, spaghetti, hominy, etc., as much as possible and to concentrate on the canning of perishable food products.

At a meeting called recently in Chicago to discuss this drastic step it was urged that this communication while in the form of a request was in reality a mandate, and it was the wise as well as the patriotic thing to do to concur with the request. Can manufacturers present unhesitatingly stated that they would not at the present deliver cans for packing these non-perishable commodities, though they anticipated that this conservation might so relieve the situation that sufficient cans might be available to meet all requirements after the first of June.

It was stated in this connection that the canned milk industry alone had used twice as many cans in 1916 as in 1915, and also that there were four times as many cans used for canning non-perishable goods as in any other year.

A series of experiments has been conducted with the idea of providing some container for these goods that would take the place of tin, substitute containers have been provided of parafine lined cardboard that it is believed would prove entirely satisfactory.



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44

THE COLLIER OIL COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 21st day of March, 1917, incorporating Henry Phipps Otty Savary, Lloyd Hamilton Fenerty, and Henry Austin Chadwick, barristers-at-law; Francis Olestes McKenna, student-at-law, and William Needham Ream, accountant, all of the City of Calgary, in the Province of Alberta, for the following purposes, viz.: (a) To search for, prospect, examine and explore lands and places which may seem to the company capable of affording a supply of petroleum or natural gas and to take on lease, purchase or otherwise acquire the right to the petroleum and natural gas in and under all such lands, and to establish and turn to account pumping stations, pipe lines and other works and conveniences suitable for the purpose of extracting, pumping, drawing transporting and purifying petroleum and other mineral oils and natural gas, and to acquire, construct, maintain, and operate refineries for the refining of crude petroleum, and to engage in the business of dealers in petroleum and all or any of its products or by-products, either wholesale or retail; (b) To acquire by purchase, lease, hire or otherwise, mines, mineral claims, mineral leases, mining lands and mining rights of every description, including petroleum and natural gas, and to work, develop, operate and turn the same to account, and to sell or otherwise dispose of the same or any of them, or any part thereof, or any interest therein; (c) To dig, bore, or drill wells for water, oil, gas or any other mineral or product, and to carry on such operations, either for the benefit of the company on property belonging to or in which the company is interested, or as a contractor with or for any other company, firm or person, and generally to carry on the business of well drillers in all its branches; (d) To purchase or otherwise acquire all plant or machinery necessary or convenient to be employed for any of the purposes of the company, and to operate the same; (e) To deal in natural gas for illuminating, power or other purposes, and for such purposes to enter into any contracts, engagements or agreements with any government, municipality, corporation or person for the supplying of natural gas for the purpose of power, illuminating or other purpose whatsoever; (f) To acquire, construct, equip, maintain and operate a gas lighting plant or plants, necessary pipe lines, to enter into any negotiations or contracts with any government, municipality, corporation or person for the right to use any street, highway, or public place, or any public or private property, for the right of way of the Company's gas pipe for the conveying of natural gas for lighting or other purposes, and to let, sell or otherwise dispose of or deal with such plant or plants and right of way; (g) To acquire, construct, equip, maintain and operate a pipe line or pipe lines for the conveying of petroleum, either crude or refined, or any of its products or by-products, and to enter into any negotiations or contracts with any government, municipality, corporation or person, for the right to use any street, highway or public place or any public or private property for the right of way for such pipe line or lines, and to sell, let or otherwise dispose of or deal with such pipe line or pipe lines and right of way; (h) To acquire by gift, purchase or otherwise from any person or corporation the right of way mentioned in the two preceding paragraphs hereof or any part thereof; (i) To buy, sell, lease, hire, or otherwise acquire any real or personal property and any rights, franchises, easements and privileges which the company may think expedient or desirable to purchase or acquire for the purpose of its business; (j) To purchase, or otherwise acquire the good-will or all or any part of the business, property and liability of any company, society, partnership or person formed for all or any of the purposes within the objects of this company or carrying on any business within the objects of this company and to conduct and carry on or liquidate or wind up any such business; (k) To establish, form, promote or assist in paying the cost of and incidental or preliminary to the formation or establishment of any company or undertaking formed with objects altogether or in part similar to the objects for which the company is established or for the purpose of acquiring, purchasing, holding, working, or otherwise dealing with any of the property of the company, or in which the company is interested and with whom the company may or may not amalgamate, and to make or concur or assist in making all payments and financial arrangements in relation thereto, and to underwrite, subscribe for, purchase, hold, sell, or dispose of shares, stocks, obligations, debentures or securities in any such company, and to guarantee or assist in the guarantee of the payment of any dividends or interests on the stocks, shares, debentures, obligations, or securities of any such company, and to pay any brokerage, commissions, indemnities and legal or other expenses incidental thereto; (l) To enter into partnership or any arrangement for sharing of profits, union of interests, joint adventure, reciprocal concessions, or co-operations with any one or more corporations, authorities, companies or persons carrying on or engaged in, any business, operation or transaction which may seem to the company capable of being conducted so as directly or indirectly to benefit the company, and to take or otherwise acquire and hold shares or stock in or securities of, and to subsidize, lend money to or otherwise assist any such corporation, authority, company or person, and to raise and assist in raising money for, and to aid by way of bonus, promise, endorsement, guarantee or otherwise any person, firm or corporation which the company may have business relations with, and to act as employe, agent or manager of any such person, firm or corporation, and to guarantee the performance of contracts by any such person, firm or corporation; (m) To sell, lease, exchange, surrender, or otherwise deal with the whole or part of the undertaking and property and rights of the company, or any part thereof, for such consideration as the company may think fit, and in particular for any shares (whether credited as partly or fully paid up or otherwise) debentures or securities of any other company, and to divide such part or parts, as may be determined by the company, of the purchase money, whether in cash, shares or other equivalent, which may be received at any time by the company on the sale of, or other dealing with the whole or part of the property, estate, effects and rights of the company amongst the members of the company by way of dividend or bonus in proportion to their shares, or to the amount paid up on their shares or otherwise to deal with the same as the company may determine; (n) To pay for any lands, business, property, rights, privileges and concessions acquired or agreed to be acquired by the company, and generally to satisfy any payment by or obligations of the company by the issue of shares of this or any other company credited as fully or partly paid up, or of debentures or other securities of this or any other company credited as fully or partly paid up; (o) To make, draw, accept, endorse, execute and issue promissory notes, bills of exchange, cheques, bills of lading and other negotiable instruments; (p) To acquire by subscription, purchase or otherwise, and to accept and take, hold or sell, shares or stock in any company, society or undertaking, the objects of which shall in whole or in part be similar to those of this company or such as may be likely to promote or advance the interests of this company; (q) To sell, lease, exchange, surrender or otherwise deal with the whole or any part of the undertaking and property and rights of the company for such consideration as the company may think fit; (r) To do all such things as are incidental or conducive to the attainment of the above objects or any of them and the intention is that the objects specified in each of the paragraphs in this clause shall, unless otherwise therein provided, be regarded as independent objects, and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Collier Oil Company, Limited," with a capital stock of two million dollars, divided into 400,000 shares of five dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 22nd day of March, 1917.

THOMAS MULVEY.

THE FINANCIAL POST OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
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Toronto, May 5, 1917.

CANADA MUST BUILD SHIPS

THE war has become a war of tonnage. If the Allies can build ships faster than the German subs can sink them, nothing can prevent an Allied victory. If the Allies do not build enough ships to replace those that the U-boats sink then . . . — the last, desperate throw of the Hohenzollerns may bring about an inconclusive peace after all.

That is the present situation. Grave though the warnings uttered by British statesmen on the score of the submarine menace have been, they have not told by any means the whole story. The situation is so grave that the fate of the Empire and the success of the Allied cause are being decided, not on the battlefields of Flanders, and Poland, but in the shipbuilding plants of the world. The steel riveter has become as necessary as the high-explosive shell.

What is Canada doing to help?

Face that question squarely and the answer is: Practically nothing. Canada has not awakened to the danger. That the need for ships, ships and more ships is realized in Britain goes without saying and it is a hopeful sign that the United States seems prepared to buckle down to the shipbuilding problem with energy and decision. But in Canada lack of decision, apathy, waiting that is not even watchful, are still in evidence. Canada officially is doing nothing.

It is true that the shipbuilding industry, spurred on by provincial assistance, has been revived on both coasts in the last two years. It is true that the Imperial Munitions Board has appointed J. W. Norcross Director of Shipbuilding. But what we have done so far and what we are planning to do is so inadequate, so puny, in comparison with the tremendous crisis we face that the need for decisive Government action is imperative.

It is said that we have not the shipyards, that we have not the facilities, that it would be at least a year before we could begin to produce ships in any number. This should serve not as a deterrent but as a spur to quick action. In 1915 when the cry for high explosive shells was raised, inept Britishers raised the same cry; British factories could not be equipped to turn out shells before a certain time and—so they said—the war would be over then. The war was not over, but, if the reorganization of industrial production had not been completed, the war would be over now—with Junkerdom triumphant! It is no use figuring that the war will be won, before Canada can put a shipbuilding program into effect. The war may last two years, three years more. Our duty is to throw our energies into shipbuilding at once on a scale of such magnitude that our contribution will prove a real factor.

The situation must not be left to private enterprise. Government assistance must not be limited to provincial subsidies. The Dominion Government must take hold, and initiate a broad national campaign. If necessary the Government should provide the backing and devise a system of national service to provide the necessary labor. Government officials should be out on the job to-day selecting the best sites for ship-yards, and providing for the supply of material. The early summer should see our coast towns converted into hives of industry and the hulls of countless ships rearing themselves above the coast lines.

If ever we needed leadership from bur Government it is to-day. The danger the world faces to-day from the menace under the seas is greater than the danger faced when that ruthless thoroughly prepared German Army swept through Belgium almost to the gates of Paris. The crisis we face is the gravest yet.

Only immediate action on the part of the Government will suffice.

PRODUCE AND CONSERVE.

THERE is a two-fold mission behind the campaign of the Organization of Resources Committee; production and conservation. Both of these are direct factors in increasing our exportable surplus of foodstuffs. Increasing food exports not only means that we are fulfilling our duty to the Empire and the Allies in the great crisis but it means national prosperity. An effective advertising campaign to this end is being waged and the points referred to are being brought home to both farmer and citizen. This campaign cannot but have effect upon public sentiment but it must also be accompanied by practical national efforts for control and direction if the desired results are to be obtained. There are many suggestions to this end but few worthy of much consideration. Two of the more recent which are on a sound business and economic basis are those of the Canadian Manufacturers' Association and the packing interests.

The suggestion of the Manufacturers' Association that arrangements be made in the city for men who understand farming to return to the land for the season of production, when they can possibly be spared—loss of income to be made up to them—is more practical than the enthusiastic but ill-considered effort to get business men to spend their vacations in the role of farmers. The average office man would be little more effective on a farm than would the farmer be in an office. Besides a man on his "vacation" is not likely to put much energy into work which would be very trying physically; many would be still looking for cures for blisters, sun-burn and strained backs when it was time for them to go home. On the other hand residents of cities and towns who have had experience in farm work would be efficient workers.

The suggestion of the packers and provision dealers that a national food controller be appointed is one which bears directly on the situation as regards consumption and the cost of living. Reducing consumption is not only an effective method to increase the exportable surplus but means less spent by the individual and, in relation to supply and demand, a factor for readjustment of prices to lower levels. A food controller could do much in the education of the public as to the value of foodstuffs and their use to the best advantage in the elimination of waste, besides considering, as may be necessary, the regulation of individual consumption. Supply and demand are regulating prices and will continue to be the dominant factors in that connection.

PRAIRIE PROBLEMS.

WHEN THE FINANCIAL POST, a couple of weeks ago, printed an article by J. E. Martin, of the J. E. Martin Land Company, Minneapolis, dealing with certain phases of the Western land and immigration problem a communication was sent to G. R. Marnoch, president of the Lethbridge Board of Trade, who has, in articles which have appeared in these columns and elsewhere displayed a broad and sympathetic view of prairie problems as seen by a Westerner.

Mr. Marnoch has written a reply which is published in this issue. He does not deal directly with one of the most interesting questions evolved by the land man—the policy of continuing the free distribution of prairie lands by the government—but points out the evils of land speculation where large tracts fall into the control of private interests that hold them for private gain and prevent the development of extensive territories. Under such conditions Mr. Marnoch argues that "land speculators" should not object to taxes on raw lands.

Mr. Marnoch agrees with Mr. Martin that the maximum allowance of personally owned farm equipment and livestock which an American farmer is allowed to bring into the country without duty should be increased and hints that it may not be long before livestock and farm implements are on the free list or allowed in at a much lower rate of duty. We wonder on what grounds he speaks. Free wheat came much as a bolt from the political blue. Is the organization of the Western vote to an agricultural rather than a political policy to result in further concessions of a sweeping character?

Another interesting point of Mr. Marnoch's article is with regard to the undermining of mortgage security by Western legislation. He says "There is nothing to fear in this direction as the farmers' organizations now fully realize that any legislation that impairs a first mortgage security reacts against every farmer who wants to borrow money." At last the West sees the light. The importance of credit standing is finally being recognized, although there is a feeling that the fact that the governments themselves are going into the loaning business may have something to do with the change of front.

EDITORIAL NOTES.

SHIPBUILDING in Canada is a war-time industry which should continue active for a considerable period after peace is declared.

* * *

AND we hear the rude remark that the Kaiser is having more success than Henry Ford in getting the boys out of the trenches.

* * *

WE CAN appreciate the remark of an American contemporary that the happiest season of Russian liberty lies between the overthrow of despotism and the arrival of the political boss.

* * *

THE question of prohibition in relation to the new American army has been left entirely in the hands of President Wilson. We have no doubt as to the course he will take in the interests of military efficiency.

* * *

THE Brantford Board of Trade, like that of Hamilton, will have a farmers' section. The interest being aroused in the country's greatest industry in these manufacturing centres is an indication of a trend of opinion in which the high cost of living is proving an important factor.

* * *

THE fact that sales of farm lands by the Hudson's Bay Company in the first quarter of 1917 were more than three times as great as during the corresponding period of 1916 may be taken as a real indication of the revival of interest in agricultural land in Western Canada.

* * *

IT IS not to Canada's credit that a member of the House of Commons was, this week, able to stand in his place and say that Canada is the only government in all the Dominions of the Empire which has continued on its course of conducting administration solely on party lines.

* * *

IN THE United States the income taxes are being doubled. The New York *Sun* says that the heaviest burden of this increase will fall upon the farmer. In Canada the farmer is receiving the full benefit of the war-time prices for agricultural products without any special tax contribution.

* * *

WHILE we are in Canada discussing the war stocks, profits on munitions, special taxes, etc., there is food for reflection in the fact that the shareholders of Vickers, the great British armament company, will receive for last year a dividend of 12½ per cent. or the same as for each of the three previous years. To-day Vickers shares are worth less than they were on the eve of the outbreak of hostilities. This is evidently one big concern which has been turning out munitions without abnormal gains.

THE ROMANCE OF A SMALL BUSINESS

How George J. Marott Started in the Retail Trade With $167—and Made a Fortune.

The romance of business is not found only in the realms of "big business." System tells of a man, George J. Marott, who began on a capital of $167, and who built up a business through stages where ingenuity and perseverance and hard work counted. It is a story of remarkable interest:—

When a man saves one thousand dollars in three years while he is earning a salary of only ten dollars a week—starts in business with a capital of $167 and makes a net profit of three thousand dollars the first year—succeeds markedly in the first eight years, while twenty-eight of his thirty-two competitors fail, and two of the remaining four go out of business—builds up a retail shoe trade to one of the largest in the United States, occupies all the floors of a seven-storey Building—when a man does all these things in a city of 170,000 there is pretty sure to be something besides luck back of his success. And George J. Marott, of Indianapolis—who has done all these things and more—doesn't count luck in with the factors that have helped him succeed.

Marott entered the shoe business because it was about the only method of making money with which he was familiar. His father was a shoe manufacturer in England, and he set George to work in the factory at eleven years of age. When twelve years of age he was given one year's school education. With a few odd months of "time out" Marott has been in one or another branch of the shoe business ever since, and, in making his unusual success, he has developed a lot of interesting methods.

Marott's father, eager to try for his fortune in a new country, sold out his shoe factory in England and came to the United States. He and his family arrived in Indianapolis one day in April, 1870. Marott senior promptly went into the business he knew best—but this time he sold shoes instead of making them. And he took in his son as a clerk, at ten dollars a week.

When young Marott first came to America he was past seventeen years of age. A little over a year later he went back to England for a visit. On the return journey, he says, he began to think over his circumstances more seriously than he ever had before. He realized he was getting to be a man, presently he would be wanting to spread himself a bit and perhaps get married; yet he hadn't a penny. Then and there, on board the ship, he set his teeth and resolved that during the next year he would save five dollars out of his weekly salary, and that nothing but sickness would prevent him.

He kept that resolution. He began to save, economize and deny himself everything that he could do without. For eight years he did not see the inside of a theater or any place of amusement that had any cost. He bought socks at five cents a pair, and wore celluloid collars and cuffs.

He saved $260 during the first year, according to schedule, and at the beginning of the next year he renewed his resolution. But now, having a small capital to loan, he so far relaxed as to permit himself to spend the interest. The rate of interest at this time was ten per cent. By saving and loaning, also discounting commercial notes of several merchants, his assets, at the end of the third year, reached a total of $1,000 in cash and two lots in Emporia, Kansas, which had cost him one hundred dollars.

At this point Marott got married, and used all his capital in furnishing a little home and buying a piano for his wife. His entire capital was gone. He was still earning but ten dollars a week. He found it impossible to maintain a cottage on that salary So with the cheerful cooperation of his wife they rented one room and became boarders. Upon reaching this status, he again determined to save something. He could not decide upon a definite amount, but he resolved grimly that it would be something; and it was. Sometimes it was twenty-five cents a week, and again it was fifty cents. At rare intervals it rose to one dollar a week.

By these means Marott accumulated, after nearly five years of married life, the sum of $167, in addition to the two lots in Emporia. With this capital, $167, he decided to enter the retail shoe business. It was Marott's idea that the way to begin is to begin. His resources consisted largely of confidence in himself, and a pretty thorough knowledge of the shoe business.

Marott showed his sound business sense at the start in his choice of a location for his store. He selected a room in the very heart of the retail district of Indianapolis. With the sum of $167 in his pocket, he agreed to pay a rental of $1,800 a year. It required sound nerve to make such a contract, but Marott left self-confident and argued that in selling he must be where there were customers.

Out of his capital Marott transferred $150 to the landlord, one month's advance rent, but was allowed ten additional days in which to clean up the rubbish left by his predecessor. His next step was to call upon ten jobbers and manufacturers with whom he had become acquainted while working for his father. He proposed that each one should extend him a credit of two hundred dollars, on the consideration that it would never exceed this amount. On the other hand, the creditors were not to press him unduly, but were to permit him to pay off the original indebtedness when he could. Marott had a hard struggle with pessimistic jobbers. One pointed to the appalling failures which had occurred in the shoe business in Indianapolis, cited the case of the man who had failed in the very room Marott had rented, and hesitated so long that Marott's heart sank. Nevertheless, this jobber and the other nine finally agreed to extend the credit Marott asked.

Next, he applied for a loan of three hundred dollars on his household furniture. He needed a line of shoes to complete his stock which he could not buy in Indianapolis, and for this cash was required. He succeeded in securing two hundred dollars, for which he gave a chattel mortgage, and this, with the few dollars left from his original capital, gave him $217 dollars. He took a train to Cincinnati. There he gave an order amounting to $228. He had $217, minus his railroad fare, with which to pay it. He asked the jobber's consent to send a check for the balance when the goods arrived, which was granted.

Marott had selected his stock by twelve o'clock, but he had given the jobber his last nickel. He had eaten nothing since the night before, but he could not afford a meal, so he walked the streets and looked at show windows to while away the time. It was midnight when he reached home. He had not eaten for thirty hours. But Marott promised his stomach future rewards for the present sacrifice. He asked the Cincinnati jobber to ship his goods immediately. The carpenters were putting up the shelves in the store and he could not pay them until he had moved some stock.

As soon as the shoes were in the storeroom, he plunged into them, verified the invoice and prepared to receive customers. Then he went into the highways and byways, detailed his friends wherever he found them, as well as nearly everyone to whom he had ever sold shoes, and announced that he was going to open a store. He solicited their immediate custom. In this way he sold enough shoes before the formal opening to pay the carpenters, the drayman, and the owner of the shelving, and sent a check to Cincinnati.

The organization when the store opened consisted of three persons: Marott's wife, Marott himself, and a boy. They sold $64 worth of stock that day, and closed a few minutes before midnight. The profits, above all expenses, were eleven dollars—exactly one dollar more than Marott had ever earned for a week's work. That night was almost the happiest of Marott's life. After closing the store he bought three stogies for five cents, smoked until two o'clock and made plans.

Marott soon began to introduce novelties into his business. He strove to give better values, superior goods, or in some way to be in advance of competitors.

The number of Marott's storeroom was 22. He was eager for his patrons to remember the number, and so he sold a line of shoes at $1.22 a pair. They were of $1.50 value.

Keeping up appearances without violating economy has always been one of Marott's principles. When he began he had over two hundred feet of shelving and a storeroom which would easily have accommodated a stock of $40,000. In those days shoes came in large pasteboard "cartons." They held twelve pairs of shoes. During the noon hour, or whenever business was quiet, he sent his boy to the different stores to ask for the empty cartons which the merchants usually threw away. These he put on his empty shelves. Marott wanted his salesroom to look like a shoe store, and he gained his purpose.

Marott cleared over three thousand dollars the first year. When he knew that success was assured, he resolved not to increase his salary of ten dollars a week until he could take the cash discount on all his purchases. Before the end of the first year he had lifted his chattel mortgage. At the end of the fifth year he had made $25,000 clear of debt.

During the first eight years that Marott was in business all of the downtown shoe stores in Indianapolis but four—thirty in all—failed. The capital of two of the remaining four was so much impaired that they presently retired. More money was lost by shoe merchants who failed during this time than Marott made.

In 1890 Marott was compelled to give up his original location; and he moved once again in 1911, when he leased a seven-storey building for 25 years, at an average rent of $20,000 a year, making an investment of more than $200,000, which he had made in the shoe business.

It has always been Marott's policy not only to keep up-to-date, but to be a little ahead of it. His children's playroom is not only the largest, but one of the only two, in Indianapolis. And he has a department where women may have their shoes "shined" for five cents.

Marott's business, which started with a capital of $167 and increased to an investment of $225,000, has been built up by hard work and unflinching honesty. Once he kept his word at a cost of $60,000. He is sure it paid.

PERSONAL

LORD CUNLIFFE, governor of the Bank of England and a member of the British Commission, spent the week-end at Glen Cove, where he met J. P. Morgan, H. P. Davison and other prominent bankers.

ROBERT H. PATCHIN, who is to become manager of the Foreign Trade Department of W. R. Grace & Company, New York, was formerly a prominent figure in the Ottawa Press Gallery as the Canadian representative of the New York Herald. In taking the position referred to, he has resigned as secretary of the National Foreign Trade Council and Oscar T. Davis has been appointed in his place.

GEORGE W. BEARDMORE, who has been made a director of the Canadian General Electric Company, to take the seat made vacant by the death of Senator Kerr, is a member of the firm of Beardmore & Company, the tanners and wholesale leather merchants of Toronto. He is well known in business and social circles in the Queen City and is prominently connected with a number of business and public organizations. He is president of the Beardmore Belting company and a director of the National Life Assurance Company. A well-known horseman, he has been president of the Canadian National Horse Show Association for eighteen years and Canadian representative at the International Horse Show, London, England, since 1906. He is a member of the Canadian Jockey and Toronto Hunt Clubs and of the latter has been master of foxhounds since 1894. He is also a member of the Sports Club of London.

EDWARD J. PEARSON, who succeeds Howard Elliott as president of the New York, New Haven & Hartford Railroad has had a varied and extensive experience in handling transportation and construction problems such as those of the New Haven. Since March 9, 1916, he has been vice-president of the New Haven road with headquarters in Boston and has acted as general assistant to Mr. Elliott in particular charge of all matters relating to construction, operation and maintenance.

Mr. Pearson is 53 years old and of New England stock. In 1883 he was graduated from Cornell as a civil engineer and entered railroad service as rodman on the Missouri Pacific and later located the line from Atchison, Kans., to Fall City and Omaha, Neb., since that time he has been connected with different system in various parts of the States.

T. H. RIEDER, who was recently elected president of the Canadian Consolidated Rubber Company, was on Saturday evening last given a complimentary banquet by the recently organized Kitchener Manufacturers' Association. Mr. Rieder, who is shortly to remove to Montreal permanently, had taken a deep interest in the organization of the Association, the object of which is to advertise the city of Kitchener, and the goods manufactured by its varied industries. The banquet was one of the largest and most successful functions of the kind ever held in the city.

E. B. GREENSHIELDS, late president of Greenshields, Limited, bequeathed all of his property to his wife and son, E. J. M. Greenshields, and his daughter, Mrs. E. Muriel Drinkwater. The proceeds of the various life insurance policies are bequeathed to the executors and to the Royal Trust Company, to be held by them jointly as trustees in accordance with the provisions of the act relating to life insurance by husbands and parents. The insurance money is to be invested as the trustees think proper. The income thereof is payable to the testator's wife during her lifetime and after her death to the children, Edward J. M. Greenshields and Mrs. Drinkwater in equal shares. The residue of the estate is to be held in trust without division, until after the death of the testator's wife. In the meantime the will provides that the widow shall be paid four-sixths of the revenue and his daughter, and his son one-sixth each. The testator bequeathed to his wife, the lot of land on Peel street, between her own property and that of Graham Drinkwater. To his son, Edward J. M. Greenshields, he willed properties at Lake Manitou. Other lots in same place were bequeathed to the testator's wife.

WILLIAM D. ROSS, who takes the place of J. K. L. Ross on the board of the Canadian General Electric Company is one of the most prominent of Montreal's business executives. He is perhaps best known as president of the Montreal Board of Harbor Commissioners in connection with which organization he has done important work in creating efficient machinery for the handling of transportation on the St. Lawrence. He is also president of the Asbestos Corporation of Canada and a director of the Prudential Trust Company, Nova Scotia Development Company, Dominion Steel Corporation, National Steel Car Company, Montreal Tramways Company and the Amherst Park Land Company. He has during his active busines career been assistant manager of the Windsor Hotel Company, comptroller of the Montreal Street Railway Company, secretary-treasurer and vice-president of the Montreal Light, Heat & Power Co., managing director of the Montreal Street Railway Company, president of the Quebec Railway, Light, Heat and Power Company, president the Canadian Street Railway Association and has been prominently connected with various other business and public organizations.

W. SHIVES FISHER, whom the Minister of Militia has appointed commissioner in charge of the Ross Rifle Company pending the appraisal of the plant before being operated by the Government, is one of the most outstanding business men in the Maritime Provinces. His career as a business man began over forty years ago, when, after graduating from a business college, he became bookkeeper in a St. John, N.B., foundry. Before a great while he became manager of the manufacturing end of the business. This position he resigned a few years later to enter into partnership with Mr. R. B. Emerson for the purpose of forming the wholesale and retail hardware firm of Emerson & Fisher at St. John, N.B. In 1888 the firm organized the Enterprise Foundry Company, Limited, at Sackville, N.B., for the purpose of engaging in the manufacture of stoves. Of this company Mr. Fisher became the president, a position which he still holds, although the management has since devolved upon his eldest son. At first the Enterprise Company's market for stoves was practically confined to the Maritime Provinces, but to-day it has agencies established at points in the Western Provinces. Although efforts have been made to induce Mr. Fisher to enter public life, and particularly when the death of Hon. Mr. Blair left his seat in St. John vacant, he has always refused to do so. But although he has refused to enter public life he has always taken an active interest in movements which have had for their object the welfare of the Maritime Provinces in general and that of St. John in particular. In the agitation which started some twenty-five years ago for the improvement of the harbor of St. John he was one of the moving spirits, and the excellent harbor which that city possesses to-day is largely due to his efforts. Mr. Fisher is a good speaker, a well read and far-traveled man, an enthusiastic Canadian and a warm Imperialist, while as a business man he is cool, collected and far-seeing.

HOW PUBLIC OWNERSHIP WORKS

Toronto Daily Star

Edward Murphy, engineer in the [illegible] building, testified at the fire enquiry that he had always regarded the Toronto Hydro regulations as a joke, and had got Hydro service in his own home without a permit.

SAVING THE RAILROADS WITHOUT THE EVILS OF GOVERNMENT OWNERSHIP

Sound Views on Great American and Canadian Problem by E. T. Carman, in the Journal of Political Economy.

This article was arranged prior to the report of the Royal Commission this week and is especially interesting in relation to the recommendations thereof.

To avoid Government ownership and yet provide adequate railroad facilities for all the people at moderate cost is a problem being faced to-day both in Canada and the United States, although the conditions which have created it are somewhat different in the two countries. In Canada, where a measure of Government assistance has been given, the development has so far discounted the future that for the time being some of the systems are not able to show profits. In the United States the difficulty has been that, accompanying a wave of public opinion, the big transportation systems there have been legislated and controlled to such an extent that profits cannot be shown on the investment and new capital has been so discouraged that development has been strangled. In seeking a solution of the problem other than public ownership, the idea is to avoid those evils which develop under state administration and which have been so often described as to need no further discussion here. Suffice it to say that the creation of that political power and the deadening of individual initiative which are attendant evils of Government ownership are quite enough to condemn it, unless it is shown to be the least of necessary evils which cannot be avoided.

This problem of the railroads has been made the subject of a very sane and interesting article by Ernest T. Carman, of Minneapolis, and published in the Journal of Political Economy, which is issued by the University of Chicago in co-operation with the Western Economic Society. Mr. Carman has, of course, dealt with the American situation but, as has been previously pointed out, the Canadian systems, with the possible exception of the C.P.R., are facing the same crisis as those in the United States, although the causes of that crisis are somewhat different. The solution which Mr. Carman submits, in its general application, deals with the difficulties in both countries.

No justification is offered for the public abuses which led to the enactment of the Interstate Commerce Act in the United Staies in 1887 and the antagonistic rate regulations which followed. Under this Act was appointed the Inter-state Commerce Commission with powers to prevent abuses, but no powers to improve conditions that were non-abusive. The railroads met this agency of corrective legislation with hostility, with the result of more and more hostile legislation until to-day it is universally admitted that the American railroads are over-regulated. Somewhat similar conditions exist in Canada, where the Dominion Railway Commission has kept in view the interest of the public rather than of the railroads, although the viewpoint of the Canadian body has generally been more broad. There is now a tendency on the part of the railroads to meet the public more than half way, but public sentiment still exerts an influence over the machinery of justice which makes it impossible for the railroads to obtain a "square deal." This is particularly shown in the United States, where railroad investment is no longer attractive to private capital and railroad development and expansion has almost come to a standstill for this reason.

Mr. Carman submits that since the tendency of all modern rate regulation is to prohibit more than a fair interest return upon the value of the property used in he the public service, there is no inducement to further investment of private capital in new lines for extension. The once attractive speculative element is removed entirely, and there is no corresponding elimination of risk and hazard. If the new venture is a failure the investor loses his capital; if it proves a success he gets at most only a fair interest return and the public takes the remaining fruits of the investment in reduced rates. Under such conditions private capital is being invested in nearly every other enterprise in preference to railroad extension. This condition, he says, cannot permanently exist.

As a solution, Mr. Carman recommends that railroad rates be placed at a level high enough to provide the necessary revenue for proper improvement, repairs, and replacements, pointing out that the control of the Governments and the Commissions over the railroads is already broad enough to compel the application of such revenues for such purposes after first paying a fair return upon the value of privately owned railroad property. Rates at least sufficient for such purposes must be maintained, whether the railroads are privately owned or owned by the Government. Such increase in rates would affect Canadian roads largely in the same way as American.

However, this increase of rates does not dispose of the problem of capital. In the United States money is required for extensions and improvements, and in Canada, in addition to large sums required for improving road bed and rolling stock, there are other requirements which could not be taken care of by increased rates unless those rates were made so high as to be comparatively prohibitive. Dealing with this phase of the problem, Mr. Carman writes:—

> The remedy lies in temporary government investment in extensions and improvements until such time as the natural development of the country produces business sufficient to yield a fair net return upon the value of the property used in such public service. This may be accomplished under direction of the Commission, properly constituted and endowed with enlarged powers—of which more will be said later. Whenever it appears that the public interests would be promoted by the extension of any interstate railway system, or some part thereof, and it further appears that such extension necessitates an unprofitable initial expenditure, the government itself should invest in the enterprise such sum of money as may be necessary to render all private investment therein reasonably remunerative—a return upon the government capital being deferred until all private investors shall have been first adequately rewarded. The government should become the owner of capital stock of the railway company in which government capital is invested, in such proportion as the government investment bears to the fair value of the whole property of the railway company, and the government should from the beginning possess all the rights of private stockholders except that of profit-sharing. The private investor should be, in effect, a holder of preferred stock entitled to adequate dividends from the first profits of the enterprise; and the amount of such preferred stock issued should be limited to, and correspond with, the railway company's ability to pay proper dividends thereon. Rates should be maintained at a level consistent with community development, but should *not be lowered* with the increase of business which would naturally follow such railway extension and improvement; and whenever the increased volume of business would produce revenue sufficient to pay a full return upon all the capital invested, government as well as private, the government stock should be sold to private investors who should then be entitled to all the rights of other similar stockholders. The private stockholders at the time of sale should be given a first chance to purchase the government stock at par value, as that would enable them to bar out persons whom they deemed undesirable as stockholders.
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> The provision for payment of a fair return upon private capital should not be in the nature of a guaranteed and fixed dividend, however, as that would destroy the incentive to efficiency quite as effectually as government ownership itself. On the contrary, the return to be paid upon private capital should be variable in amount and should correspond with the degree of efficiency and economy attained in the management and operation of the enterprise. It is possible to determine in many ways the extent of efficiency accomplished in the operation of any railroad system. The ratio of operating expense to gross income may be compared with that of other railways operating under substantially similar circumstances and conditions, and a fairly accurate general standard of efficiency may be based upon such comparisons. Other statistical comparisons may be used as a further aid in determining a proper standard. The dividends for the private investor should be increased in proportion to the decrease in expenses of maintenance and operation which his railway company achieves; and possible maximum dividends should be sufficiently large to make skilful management and operation highly desirable. On the other hand, failure of his railway company to measure up a reasonable standard of economy and efficiency in maintenance and operation should be penalized by correspondingly decreased dividends to the private investor. To illustrate: About 70 per cent. of the gross income (under present rates) of some great railway systems is now being consumed in the payment of operating expenses. If this percentage should be found a fair standard for a particular railroad in which the government had become a stockholder under the plan here suggested, then for the attainment of that standard a dividend of 7 per cent. per annum might be allowed to private stockholders, while a decrease in operating expenses to 70 per cent. of gross income should be rewarded with a 10 per cent. dividend; and an increase in operating expenses to 75 per cent. of gross income should be penalized by a decreas in dividends to 5 per cent. per annum.
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> The Commission could be depended upon to see that decreased operating expenses did not result in poor service to the public. It is well known that the percentage of gross income consumed in operating expenses on any railway system decreases as the volume of business or traffic increases. The railroads would, therefore, have a direct pecuniary interest in increasing business in order to get the increased dividends allowed for low operating expenses. The natural increase in the volume of business which would result from community development where extensions had been constructed by the aid of government money would eventually create a surplus, after payment of dividends upon all private capital invested; and whenever the constant production of such surplus should become sufficient to pay dividends upon the government stock, then such stock ought to be sold to private persons, and the proceeds reinvested in other extensions elsewhere. A sort of revolving fund would thus be created, which in course of time would become large enough to meet all requirements of the government in railroad extension work without further appropriations by Congress. To keep faith with the purchasers of government stock, the Commission should not thereafter reduce the rates until the net return had become more than sufficient to pay the maximum dividends allowed to private stockholders before the sale of government stock. The variable dividends suggested as a reward for efficiency ought to be allowed by the Commission on all railway systems, whether government capital be invested therein or not; for where is the incentive to efficiency under the present practice of reducing the rates whenever the profits become more than sufficient to pay a barely non-confiscatory return? At present, efficiency is penalized, not rewarded.

In submitting this scheme, Mr. Carman foresees that there will be difficulties. It would require time and experience to perfect a workable system for such Government aid. However, the difficulty would not be insurmountable or even comparable with the perplexing problems that would arise under complete Government ownership. Under the scheme the amount of Government aid extended in a particular case would be neither too much or too little, but exactly the amount necessary. The Government capital so invested would be relatively small when compared to the amount necessary for complete Government ownership, and it would be the proceeds of indirect taxation equally distributed over all the people. The Government as a stockholder in the railway companies could have a proprietary, as well as a state or governmental interest in the affairs of the railroads and it could keep in closer touch with the business than under present conditions. Besides, if the Government itself were financially interested, railroad rate regulation would be more sane and less hostile. The evils of complete Government ownership would be avoided and advantages of private management and individual enterprise retained.

The plan for temporary Government aid is neither radical not abnormal. Mr. Carman gives a number of examples where aid has been given in the United States and refers at length to the relations of the Canadian Pacific Railway to the Canadian Government. He states:—

> The Canadian government, prior to the construction of the Canadian Pacific Railway, offered to aid the prospective builders of that line by donating twenty thousand acres of land and ten thousand dollars cash per mile, and guaranteeing dividends of 4 per cent. per annum for twenty-five years upon such amount of private capital as might be necessary to procure the construction of the road. The offer was not accepted. The Canadian government then itself constructed more than six hundred miles of railroad through the mountains at a cost of thirty-one million dollars, which road was donated to the Canadian Pacific Railway Company together with twenty-five million dollars in cash and twenty-five million acres of land; and thereafter in 1884, the Canadian government made a temporary loan of thirty million dollars to the railway company—which was repaid with interest before maturity. If the Canadian government had taken stock in the railway company for the donations then made, it would long since have been able to commence the collection of dividends upon such stock, after first allowing the railway company to pay all private investors ample dividends upon their capital. Further illustrations of misdirected government aid would be superfluous.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

Great West Permanent.

C. A. C., Hamilton.—I have a few shares of Great West Permanent Loan Company of Winnipeg. The last sale reported in THE POST gives 89½ as the price. I paid much more than that. Would you advise me to hold or sell. There seems to be some ground for the recent criticism of the management though the dividends have been paid. I would not like to sell at a loss but if the company is not making good perhaps I had better sell now. Would you advise selling Mackay preferred now.

The affairs of this company have been considerably unsettled through competition for control of the management by opposing factions. However, the administration was sustained by a considerable majority at the annual meeting, and the air was cleared to a large extent by the proceedings at that time when there was considerable criticism of the policy which had been followed. Some of this criticism appears to have been justified, and the continuation of the full dividend was a doubtful policy considering the fact that full allowance had not been made for the readjustment of investments being carried as assets. However, it is to be doubted if this is a time to sell. The company's affairs and general conditions in the loaning business are now at a low ebb and any change should be for improvement. We would therefore consider it advisable to hold for the time being unless your position is such that you must have absolute security—in which event you must expect a smaller dividend return.

As to Mackay preferred we believe that in this stock you have a conservative investment of the utility class and that there would be no advantage in selling unless you desired something more speculative or, on the other hand, greater security with smaller dividend return.

United States Rails.

R. G. K. H., Pictou.—Would like your opinion of Union Pacific, Southern Pacific, Canadian Pacific and U. S. Steel common as speculative investments.

Railway companies in the United States are not in a happy position at present. On the one hand, while earnings were never better, costs have gone up enormously, with the result that net profits have been seriously curtailed. On the other hand, to make matters worse, governmental interference has become even more pronounced, and there is a proposal that dividends should be limited during the continuance of the war. Both conditions will result in a cessation of natural expansion. Betterments will be dispensed with, new equipment will be cut down, and the systems will deteriorate. Eventually, the railways will find themselves in such a position that they will be unable to cope effectively with the business offering. Then there will doubtless be a reversal of the present attitude towards the railway companies and more encouragement will be extended to them. Both Union Pacific and Southern Pacific are big systems, but the conditions outlined are affecting them seriously and we do not look for any improvement in the position of their securities until present difficulties and uncertainties are removed.

Canadian Pacific.

The position of the Canadian Pacific Railway Company differs somewhat from that of American roads, in that governmental interference has not yet become a factor. The company's costs of operation are advancing, but there is still a substantial margin between earnings and expenses and financially the road is better off than its American contemporaries. However, from the stock market point of view, movements are likely to be governed by general conditions affecting all railway companies and, while the C.P.R. stock is not likely to react as far as the United States rails, yet it cannot advance in face of an adverse market. In the long run, it may be expected to lead in the recovery which must eventuate sooner or later.

U. S. Steel Common.

Opinions are much divided as to the future of U.S. Steel stock, and it is difficult to forecast what is likely to develop. Many people believe that the end of the war will cause a serious decline in the value of all stocks, which have advanced as a result of war-time activities and, as peace may come into sight at any moment, there is a certain risk attendant in buying at prevailing levels. On the other hand, there are not wanting those who believe that the end of the war will have no prejudicial effect on the stock. We understand that interests pretty closely in touch with the corporation have expressed every confidence in the future of the stock and are quite willing to buy at every recession. For a long-term investment we see no reason why this stock should not be a satisfactory purchase.

The Investment Situation.

Ontario.—Will you please give your ideas as to the probabilities of Canadian stock markets at a time when peace seems to be in sight. The reason I ask is this; I am a subscriber to some of the largest American statistical houses and their view of the stock market in the United States is so extremely bearish that I would like to have your views—the Canadian and American markets may not be under the same conditions. Would you advise selling at present prices such stock as Burt preferred, Russell, Canadian Pacific, W. A. Rogers and stocks of that class?

Your inquiry is one which is very difficult to deal with comprehensively. It involves the whole question of war and after-war developments in relation to business. You refer to peace being in sight. It may be in sight, but the writer's opinion is that it will be still some time in realization. Just when peace comes is undoubtedly the greatest potential factor in relation to the market. In the meantime there is every reasonable assurance that industrial activity will continue. In the meantime also adjustments are being made to the conditions which are expected to follow. The extent to which those adjustments will be made will depend upon whether or not peace comes unexpectedly. So far as the American situation is concerned, it has been having a direct influence upon the Canadian security market since President Wilson's declaration of war on Germany. This influence appears to be even greater than conditions warrant from the Canadian standpoint, because many of the adjustments being made in the United States to war conditions had already been made in Canada. The prospect of war taxes in that country have been having a depressing influence, and the White budget has recently had some effect in Canada.

The recent trend of the market seems to indicate that unless the end of the war comes unexpectedly there will be no general dislocation of business. In fact the continuance of war demand is having the effect of deferring buying in many normal lines to such an extent that many branches of industry should be busy filling such orders for a reasonable time after war buying stops. This industrial adjustment will apply in varying degrees to different industries. There will also be a general adjustment of the whole investment situation to meet the trend of money rates. So far as the industrial stocks you refer to are concerned they appear to be in a comparatively good position and to have as good a chance as the majority. Canadian Pacific has its attractions at the present market, and considering the vast resources of that corporation should make a good hold. Generally speaking, we would say with regard to industrial stocks that the amount of such securities held by an investor should be in relation to the total investment. Such securities cannot be comparatively regarded from the income standpoint under such unsettled conditions. If, however, you are looking for a speculative investment rather than for an assured income, we do not believe you will find any great advantage in selling at this time, the risks are probably about proportionate to the yields being offered.

INCOME TAXES IN UNITED STATES

Assessment Being Doubled—All Incomes Over $1,000 Are Affected.

Canada and the United States are facing somewhat similar problems with regard to war financing. Different methods of raising revenue are being adopted. Sir Thomas White has worked out a scheme whereby the burden falls upon those companies making large profits. This system he has recently been enlarged to take a greater share of the earnings of those same companies. He has avoided the income tax. In the United States income taxes are being doubled. The taxation of war profits can only be a temporary measure, and as the tariff charges are already high in this country the increased burden of taxation as the result of war financing must be met by some more direct charge. The income tax in Canada is more than a possibility. What is being done in this connection in the United States is therefore of direct interest. The income tax in the United States is imposed in such a manner as to affect all but the most unskilled laborers, domestics and clerks. The minimum taxable income is set at $1,000. The burden is, therefore, well distributed.

The new taxes are being imposed to parallel those already provided for by law and are summarized as follows:

Single men with a total net income of more than $1,000 and less than $5,000 will pay a tax of 2 per cent. on the excess over $1,000; married men with incomes of more than $2,000 and less than $5,000 will pay a tax of 2 per cent. on the excess over $2,000 and less than $5,000, and in addition to the existing tax of 2 per cent. upon incomes of more than $4,000 and less than $20,000. Single men will pay a tax of 2 per cent. upon incomes in excess of $1,000 and less than $5,000 in addition to the existing tax of 2 per cent. on incomes in excess of $3,000.

Married or single men and women with income in excess of$5,000 and less than $20,000 will pay the existing tax of 2 per cent. on the difference between $4,000 and $5,000 and under the new proposal an addition normal tax of 2 per cent. upon whatever excess they command over $5,000 and surtax at the rate of 1 per cent. for every $2,500 above $5,000 and less than $20,000, and so on, according to the schedule for surtaxes as published.

VALUES ADVANCING

Average Values of Farm Lands in Canada About $41 An Acre

For the whole of Canada the average value of farm land held for agricultural purposes in 1916, whether improved or unimproved, and including the value of dwelling houses, farms, stables, and other farm buildings, was approximately $41 per acre, as compared with $40 in 1915. The average values by provinces were as follows: Prince Edward Island, $39; Nova Scotia, $33.6; New Brunswick, $29.4; Quebec, $52; Ontario, 52.5; Manitoba, $32; Saskatchewan, $23; Alberta, $22; British Columbia, $118.5. In the last named province the higher average is due to orcharding and fruit growing.

Greenshields & Company
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17 St. John Street
Montreal

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Secours National

Old Dame Devereaux of Courcelette! — — — Pooh! What is she to Ontario? — — — —

NOTHING! That is your answer, and quite correct. Dam' Devereaux is toothless, garrulous and all but witless (the war frightened her so) . . . . But she led back into Courcellette the other day her five grandchildren, remnants of war. Their first in command had been the father—lost on the Marne. Their second, the mother—lost on the bitter road to Paris in November, '14.

But now old Dam' Devereaux is now their General, directing them and helping them in the business of mending their little patch of poor old Mother Earth so that that battered breast may once more yield cabbages and little onions, and support a hen or two!

Old Dam' Devereaux of Courcellette! Marshaling her orphans into a cellar for the night! . . . . is General of reconstruction. Her means—the means of all these war-victims returning to their reconquered soil—are pitifully slight. But her SPIRIT—their spirit—is immeasurably rich.

Will you give ten cents, or a dollar, or five, or a hundred dollars—to help Dam' Devereaux and others of her kind in France?

The Secours National has pledged itself to raise $25,000. Will you help?

51 King Street West
Glenholme Falconbridge
President

NEWS OF THE BOND MARKET

LIBERTY LOAN IN UNITED STATES IS ANNOUNCED

Subscriptions Will be Accepted up to June 15 by the Treasury.

TWO BILLION DOLLAR ISSUE

By Issuing Treasury Bills Weekly and Converting Into Long Term Bonds, the Financing Will Move Along More Easily.

It was announced on Wednesday evening that the first issue of the big American war loan, which will be called the "Liberty Loan of 1917," would amount to two billion dollars, and that subscriptions would be received from May 2 until June 15. The bonds will be dated and issued, July 1, and they will bear 3½ per cent. interest, payable semi-annually, on January 1 and July 1. Maturities and denominations have not yet been announced, but it is expected that they will be procurable in denominations as low as $20. Secretary of the Treasury McAdoo expects that the issue will be over-subscribed in a few days.

There is one important difference to be noted between the American and Canadian methods. In the United States, it is intended to issue treasury bills at frequent intervals. These are convertible into the war bonds, and it is expected that practically all will be employed in this way. The result will be to keep up the circulation of money right along and avoid any violent movement at the time the larger long-term issues are paid up. If $200,000,000 treasury bills are floated weekly, it would only take ten weeks to realize the total amount of the $2,000,000,000 issue.

Of the first issue of treasury bills, $200,000,000 was paid over to Great Britain last week, and the money so realized is being circulated already in payment of supplies needed by the British Government. The next loan will go to Belgium, and will amount to $150,000,000. It will doubtless be used in paying for the relief so much needed by that stricken country. Loans to France and Italy, totalling between $200,000,000 and $300,000,000, have already been arranged.

Addressing the Chicago Association of Commerce, Arthur Reynolds, vice-president of the Continental and Commercial National Bank of Chicago, had the following interesting remarks to make on war financing in the United States:—

> I have unbounded faith in the American people and am confident that they will patriotically and unitedly rise to meet any situation, but they must first get a clear understanding of that situation. They must realize that the marketing of a Government loan of $7,000,000,000, an amount of which we talk as glibly as though we could reach up and pick it out of the clouds, is a Herculean undertaking, and one that requires far more patriotic co-operation than would be necessary, under similar conditions, to place an equal amount of bonds abroad.
>
> Stop to consider that $7,000,000,000 exceeds the savings bank deposits of the country by $2,000,000,000, that the money of all kinds in the United States is only $5,000,000,000, and you get an idea of what is meant. Therefore, much educational work lies before us and a note of caution should be sounded lest we overreach in our efforts to place too much of this loan at one time.
>
> It would not be the part of wisdom to try to raise $5,000,000,000 at one stroke, or without due consideration of what is involved. It seems to me that all the banks, State and national, should be invited to particpate as distributing agencies, and that in order to make all these agencies more effective, legislation should be enacted that would encourage all the State banks to join the Federal Reserve system.
>
> It is my opinion that war financing should be by means of popular loans as far as possible, in amounts of, say, $1,000,000,000 to $2,000,000,000 at a time, and that bonds of small denomination should be offered the public. The situation will remain strong if the financial institutions are used principally as agencies for the distribution of Government bond issues, leaving the banks free to employ their loanable funds in sustaining the business of the country by making short-time commercial loans as at present, and in doing such re-financing of Government issues as may be needed from time to time.
>
> Failure to redeposit the proceeds of bond sales in State and national banks alike would be fruitful of undue contraction of credits of the State institutions and inflation of the credits of national banks. The money, or credit possibility, is in the banks, the difficulty is to make it serve the best interests of the whole country with the least disturbance, and it does not take a profound knowledge of finance to see that purchases of bonds in a community will be paid for by checks on savings and State banks quite as freely as by checks on national banks. This being true, if the proceeds of these checks were all placed with national or Federal Reserve Banks, the credit machinery of the country would be thrown badly out of gear, thus multiplying our difficulties.
>
> I regard the interest rate proposed, 3½ per cent., as fair. Being tax exempt the rate is attractive. In fairness to purchasers the bonds of each issue should provide that the rate of interest will be increased automatically to as high a rate as that stipulated in any future issues to be put out during the war.
>
> It must be remembered that money withdrawn from savings banks and invested in Government bonds will be disbursed through the Treasury in the purchase of materials and supplies, and through this channel these funds will be paid to the various manufacturers and jobbers of the country, who, in turn, will keep the money in circulation; much of it will go to their employees and laborers. These latter will continue to deposit in savings banks as formerly.
>
> I do not believe there will be an acute disturbance in the money market. Rates may harden, but everybody will admit a moderate change in this respect would be extremely beneficial, in that it would tend to curb speculation. Cheap money may become a dangerous element in our national life.

Features of the Week

Sentiment in the Canadian bond market, in spite of a slight increase in the number of inquiries being received by bond houses, is still depressed, and perhaps more so this week than at any time since the early days of the war. Influenced by the American bond market, which in turn has been affected by the stock market, prices have been weakening, and some of the best municipals are now being offered at prices to yield well over five per cet With a few exceptions, nothing is selling under 5½ per cent. Some municipalities are attempting to float issues but the bidding has become very scanty, many bond houses refraining from making any offers at all. The war loan is a trifle firmer than a week ago, but is still selling under the issue price.

In the United States Municipal market, inactivity continues, according to the report of the Bond Buyer of New York, which states that there has been an unusual number of unsuccessful offerings together with completed sales at prices far out of line with the value established prior to America's entrance into the war. "In short," adds the Bond Buyer, "it looks as though municipal bond values were going through a sudden readjustment to a lower level." The danger of the imposition of the federal income tax on state and municipal bonds seems to have become less during the week.

EXTEND POWERS.

Loan Companies May be Permitted to Buy More War Bonds.

The Ontario Government is considering an amendment of the Loan Corporation Act to enable loan companies to invest in Government war bonds. "Practically all the small loan companies are up to their limit in the matter of deposits," stated the Attorney-General, Hon. I. B. Lucas, "as the deposits of loan companies throughout Ontario are increasing tremendously. Representations have been made to the Government that relief be given by allowing the purchase of these bonds."

OPPOSITION DEVELOPS.

Railway Companies Don't Wish Bond Issues Supervised.

It is expected that strong opposition will be made by the railway companies to the provision in the Consolidated Railway Act, which would make the issue of railway bonds and securities dependent upon the consent of the Railway Commission, which would fix the terms.

The companies maintain that such matters do not come properly within the scope of the Commission's functions, and that its authority should not be so extended. The provision is a new and rather tentative one, and it will not be surprising if the opposition to it, which has influential support, resulted either in a variation or elimination of the clause.

A BURDENSOME ISSUE.

Bonds of the Ontario West Shore Railway Weigh Heavily on Guarantors.

An echo of the old Ontario West Shore Railway proposition was heard this week in the move of the trustee, Thomas Stothers, of Dungannon, Ont., in calling for tenders for rails and other materials used in connection with the partial construction of the line. The railway was one of J. W. Moyes' flotations and in 1908 an issue of bonds, guaranteed by the towns of Goderich and Kincardine, and the townships of Ashfield and Huron, was made. The issue consisted of $400,000, five per cent., 80-year bonds, which were sold around 97. The project was to build an electric railway from Goderich to Kincardine along the shore of Lake Huron. It was never carried to completion and meanwhile the municipalities interested have had to carry the burden of interest charges on the bonds. It is supposed that the present sale of materials is intended to raise funds for the next interest payment.

THE U.S. WAR LOANS.

Some Interesting Views as to Their Effect on the Bond Market.

Commenting on the war financing of the United States Government. Spencer, Trask & Co., New York, in their latest market letter, make some interesting forecasts on the future trend of the bond market:—

According to the Act providing for these war issues, no more than 3½ per cent. interest may be paid. Purely as a matter of business, we doubt if such a huge loan could under normal circumstances be successfully placed on anything less than a 4 per cent. basis. In this case, patriotism enters very largely into the question, and consequently at least such part as may be floated soon seems certain to go successfully on a 3½ per cent. basis. Whether the whole $7,000,000,000 can be floated at that rate cannot be judged until the terms and conditions have been more definitely fixed, also until the broad lines of taxation are indicated.

In the meantime the Treasury has floated and sold in one day $250,000,000 Short Term Treasury Certificates on a 3 per cent. basis, after first feeling for a 2½ per cent. rate, and finding the market unresponsive on any other than purely patriotic grounds. In view of the fact that England has recently borrowed at 6 per cent., it seems unreasonable to expect that we can borrow at 2½ per cent. Even 3½ per cent. is considered none too high in many quarters.

At best the placing of such huge sums as are contemplated will need a great deal of pushing from the banking element to be successful. It was recently figured that only some 200,000 people in the United States are bond buyers. Whether these figures be absolutely correct or not, it is clear that a large amount of intensive work will have to be done in order that the bonds will be widely distributed. There will be no syndicate in this case to hold up the market, and for that reason it is particularly desirable that the bonds be placed where they are likely to remain for an indefinite period.

If the Allies alone should need between $400,000,000 and $500,000,000 per month as has been reported, it will mean a strain in the money market sooner or later. The fear of this has, in fact already shown itself in a general weakening in bonds yielding a low return. It must also be remembered in this connection that now that we have espoused the cause of the Allies we can hardly expect to receive gold from them in any such volume as in the immediate past. In 1915 we received on balance from abroad over $420,000,000; in 1916 $530,000,000 and in the first three months of this year $241,000,000. This gold with its resultant basis for additional credits has tended to keep money easy. With this source of gold supply cut off, however, it is evident that the money market will gradually feel the effects of Government borrowing, unless the Federal Reserve Board should throw all its strength at once into the market, an act which, in our judgment, would not be advisable, as the duration of the war is too uncertain for us to start immediately using up our reserve strength.

On the other hand it is well known that we have just gone through two years of extraordinary prosperity. The balance of trade has been enormously in our favor; we have bought back huge amounts of our securities from Europe; the per capita circulation of money, which in August, 1914, was $33.96, is now $45.34, an increase of over 33 per cent. The burden of Government financing will consequently be borne with relative ease—with the greatest ease when we compare our situation with that of any of the other powers in either group of belligerents. In fact if the sacrifices we are called upon to make for the salvation of democracy are to be purely financial, we should count ourselves extraordinarily fortunate.

EDMONTON WILL BORROW.

Proposes to Raise $1,200,000 on Security of 1916 Tax Arrears.

At the meeting of the Edmonton City Council on April 24, a by-law was introduced by Mayor Henry and given its first reading, providing for the borrowing of $1,200,000 on the security of 1916 arrears of taxes. The procedure proposed is similar to that adopted last year, being the sale of two-year debentures bearing interest at six per cent. per annum on the security of the arrears of taxes. The issuing of these debentures means that it will in all probability be necessary to hold a tax sale in 1919, that is unless the arrears have been paid in before that date to cover the issue. On the information of the city commissioner, who said that such a course was necessary, the by-law was sent to the Utilities Commission for approval.

SAVINGS CERTIFICATES.

Alberta Will Sell Provincial Securities in Small Denominations.

Among the interesting measures enacted at the last session of the Alberta Legislature was one empowering the Provincial Treasurer to sell at par provincial savings certificates. These certificates, which bear interest at five per cent. per annum, may be procured in denominations of $10, $100, and $1,000. They are payable on demand and interest is compounded half yearly. The Provincial Treasurer has the power to call them in after they have been issued three years.

LATEST QUOTATIONS ON CANADIAN BONDS IN NEW YORK.

Closing Prices, May 2, 1917.

Supplied to THE FINANCIAL POST by Barr & Schmeltzer, New York City.

GOVT. AND PROVINCIAL	Rate.	Due.	Bid.	Asked.	Yield.
Dominion of Canada	5	Aug., 1917....	100	100⅜	4.39
Dominion of Canada	5	Dec., 1912....	96	97	5.42
Dominion of Canada	5	Apl., 1921 ...	98½	99	5.25
Dominion of Canada	5	Apl., 1926....	96½	97½	5.35
Dominion of Canada	5	Apl., 1931....	96½	97½	5.35
Dominion of Canada	5	Oct., 1931....	94⅞	95½	5.45
Dominion of Canada	5	Mar., 1937....	94¼	94½	5.47
Govt. of Newfoundland	5	July, 1919....	95⅝	96½	6.40
Province of Alberta	5	May, 1925-6 ..	95¾	96⅝	5.67
Province of Alberta	4½	Feb., 1924....	93½	94½	5.45
Province of Saskatchewan ..	5	Feb., 1918....	98¾	100	5.90
Province of Saskatchewan ..	5	Dec., 1920 ...	97	98½	5.65
Province of New Brunswick..	4½	Dec., 1925....	92	94	5.57
Province of British Columbia..	4½	Dec., 1925....	90½	92	5.70
Province of Ontario	5	Feb., 1920 ...	98¼	100	5.00
Province of Quebec	5	Apl., 1920 ...	98¼	99½	5.50
Province of Manitoba	5	Feb., 1920....	97½	99	5.26
CITY BONDS—					
Maisonneuve	6	May, 1918 ...	99	100	6.00
Calgary	6	Mar., 15, 1918	99½	100¼	5.75
Edmonton	6	Jan., 1921....	98½	100¼	5.87
Montreal	5	Dec., 1917....	99⅞	100¼	4.60
Montreal	5	May, 1918....	99⅝	99⅞	5.13
Montreal	5	May, 1936 ...	97	99	5.07
Ottawa	5	July, 1945 ...	97	100	5.00
Quebec	5	Apl., 1920-1...	98¼	99½	5.13
Toronto	4½	July, 1925 ...	93½	95¼	5.22
Toronto	4	July, 1948 ...	93	..	....
Toronto	4½	July, 1945....	90	99⅝	4.90
Toronto	4½	Jan., 1949 ...	90	92½	4.80
Vancouver	4½	Nov., 30, 1924	91	94	5.40
Victoria	5	Mar., 1918....	98	99½	5.50
Victoria	4½	July, 1924 ...	91½	98½	5.57

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" " Cranbrook..................	5	1951	@	6¼
" " Chilliwack..................	6	1936	@	6¼

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A Prisoner in Germany

—a Canadian interned at Ruhleben, the famous German internment camp—was permitted to be transferred to Switzerland. From this country he writes his story of Ruhleben Camp—a live, human story of intensest interest. Read it in

MACLEAN'S Magazine for May

Always MacLean's Magazine contains articles of a class you'll find in no American magazine—articles *Canadian* in theme and staging. MacLean's goes in for articles, biographies and stories that make Canada and Canadians better known and better loved by its own people. This is its big and worth-while mission, and this is why it should possess *your* favor to a pre-eminent degree.

In the May issue of MacLean's, in addition to the remarkable article announced above, are the following notable features:

Successful Canadians Living in New York
This article is one of a series dealing with Canadian-born men who have won fame or fortune or both in New York City—and there are many such. Mighty good reading of an intensely interesting and unusual sort.

German Plotting Against Canada in the U.S.A.
By Agnes C. Laut
Miss Laut has a knowledge of German plots and intrigues at once amazing and accurate, and her revelations are positively startling. She writes fearlessly and with her accustomed vigor.

Sunshine in Mariposa
By Stephen Leacock
This is a comedy by Canada's master humorist. Extremely amusing and clever is this play. Leacock grows better all the time.

Short Stories
By Arthur Stringer, Hopkins Moorhouse and Mary Gaunt
These stories are Canadian in their background and are good. MacLean's is doing a very meritorious work in developing and introducing new Canadian writers and writers on Canada.

Two Good Serials
By Sir Gilbert Parker and James B. Hendryx
Parker's story is entitled, "Jordan is a Hard Road," and Hendryx's, "The Gun Brand." They are rousing stories told by masters of the craft of writing and story-telling.

BESIDES, there is the likable Review of Reviews Department, in which the best things appearing in the current periodicals of the world are condensed for busy readers. So MacLean's becomes a most appealing and satisfying magazine. It is unlike every other magazine, and no other magazine serves Canadians so well.

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DEBENTURES FOR SALE.

TOWN OF COBOURG DEBENTURES

TENDERS will be received by the undersigned up until 12 o'clock noon, May the seventh, for $10,000 Town of Cobourg debentures, repayable in ten annual instalments of $1,000, and bearing interest at the rate of 5½ per cent., payable semi-annually on the first days of May and November. The debentures will date from May 1st, 1917.

BEN EWING,
Town Clerk

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ESTABLISHED 1855

FIELD OF MUNICIPAL FINANCE

PAY-AS-YOU-GO POLICY WILL BE APPLIED IN B.C.

Premier Brewster Will Meet Current Expenditure Out of Income.

TAXATION HIGHLY INCREASED

New Methods of Raising Funds Will be Resorted to and Every Effort Made to Run Province on Business Lines.

The significant feature of the British Columbia budget speech delivered last week by Premier Brewster was the announcement that it was the intention of the Government to so increase taxation as to no longer make possible those annual deficits which have marred provincial financing in the past. A serious state of affairs was disclosed by the Premier. Whereas, on March 31, 1911, the province had assets in excess of liabilities of $1,497,694, including cash at the disposal of the treasury amounting to $8,474,287, by March 31, 1916, this favorable balance had been wiped out and liabilities exceeded assets by $11,192,907. At the same time cash resources had dwindled to $720,121.

This result had been brought about by a policy of meeting current deficits by means of loans, instead of increasing taxation and paying as they went. During the five-year period, bonded indebtedness had increased $9,404,868 and, if to this sum was added the decrease in cash, there was a total excess of expenditure over receipts for the period of $17,159,035.

Avoid Bankruptcy.

If, said the Premier, this policy were persisted in, a very serious financial condition would undoubtedly eventuate and he believed that the Government had received a mandate from the people to change the policy and get matters down to a business basis.

It was argued by some that the Government should borrow to meet deficiencies rather than increase taxation. Personally he did not think that course the proper one, especially when he considered the rate of discount the province had been called upon to pay on money borrowed. It was most unwise to pile up a greater debt at an almost prohibitive price. The loan in 1914 cost 1 per cent. in discount; that in 1915 cost 13.8 per cent., and that in 1916 cost 8.5 per cent. Interest on the public debt aggregated $1,985,000, and there was no mysterious source whence the Government could draw. The people must pay, and therefore it was imperative that, even to the extent of doing some injustice, the Government should increase taxation.

Large Revenue Anticipated,

With new taxation and the collection of some arrears, Premier Brewster anticipates a revenue this year of $9,868,325. As expenditures chargeable to income are estimated at $8,768,579, there will be a substantial margin to the good. The increased taxation and collection of arrears are expected to produce about $3,924,000 in revenue.

The appointment of a comptroller-general and a reorganization of the accounting branch and the formation of a commission to deal scientifically with taxation were forecast by the Premier.

The Taxation Changes.

The increases in taxation and new forms of taxation to be imposed are as follows:—

For the present year, the real property tax of one-half of one per cent. on other than wild land, coal and timber land, is increased to one per cent. wild land, from four to five per cent. on coal land, no change; on timber land, no change; personal property, from one-half to one per cent.

On incomes the $1,000 exemption remains. Up to $2,000 the tax remains at one per cent.; $2,000-$3,000, remains at one and one-quarter per cent.; $3,000-$4,000, one and one-half per cent. increased to two per cent.; $4,000-$7,000, from two to four per cent.; $7,000-$10,000, five per cent.; $10,000-$20,000, seven and one-half per cent.; over $20,000, ten per cent.

The existing tax of $1,500 on banks with one place of business, and $250 on each branch office is doubled. The one per cent. tax levied on corporations and lands of railways, is doubled to two per cent.

The poll tax to become effective June 1, of this year on every male person other than a man over 60 years of age, a militiaman, or on military or naval service, or anyone who has paid taxes or license fees to the Province of the amount of $5, will be $5.

A special bill called the "Sur-Tax Act" provides for further taxes on incomes not touched under the amendment to the Taxation Act. For instance, a special tax of seven and one-half per cent. is levied on incomes over $50,000 in addition to the twenty per cent. levied on those over $20,000.

The amusement tax is graded as follows: where admission is not more than ten cents, two cents; more than ten and not more than fifty cents, five cents; more than fifty cents and not more than one dollar, ten cents, over one dollar, fifteen cents. The Act does not apply to religious or semi-religious entertainments, fairs or exhibitions under the Agricultural Act, exhibition of paintings or those the entire proceeds of which are devoted to patriotic or charitable purposes. The Government will supply tickets to amusement places, the proprietors of which will be paid a commission on their sale.

WANTS AMENDMENT.

N. S. Legislator Would Change Municipal Debenture Act.

The Nova Scotia Legislature is being asked by Mr. Cameron, one of the Cape Breton members, for an amendment to the Municipal Debentures Act of 1914. It is one providing that "every municipality may, at any time, by resolution, provide that debentures and coupons shall be payable at any bank either within or without the province, in addition to the place of payment stated on the face of debentures and coupons, and after the passing of such resolution such debentures and coupons shall be payable at such bank as well as at the place or places stated in such debentures or coupons."

Every debenture having the certificate signed by the commissioner shall be valid and binding on the municipality issuing the same, according to its terms, and the validity of any such debenture shall not be open to question in any court.

A QUESTIONABLE POLICY.

Vancouver Wants to Borrow Money for Its Sinking Fund.

The city of Vancouver's application to the British Columbia Legislature for power to raise $5,000,000 by means of debenture issues to provide for sinking fund requirements, came up before the private bills committee last week. Some attention was directed to this proposal at the time it was first formulated. The scheme, while ingeniously contrived, simmers down to the old proposal of borrowing money to meet current expenses. The provisions of the sinking fund levy out of taxes is an obligation incumbent on the borrowing municipality and to provide this money in the way proposed is not a method that will tend to improve a city's credit. It is an admission that the city is unable to pay its expenses.

Alderman Kirk, father of the scheme, appeared before the committee and explained that Vancouver has to raise upwards of $1,000,000 annually for capital sinking fund, a heavy annual burden on the taxpayers, who must, in addition, provide for current expenses. It is proposed to borrow a million a year, so as to take this sinking fund burden off the shoulders of the taxpayers for the next five years. In the meantime, with a reduced tax levy, forced sales of property would be prevented, and property owners would have a better opportunity of keeping up with their tax payments. Public by-laws for the various annual flotations would only be offered to the people after the annual tax levy by-law was passed by council. Thus, if during any one year the money by-law was defeated the full tax rate would be levied.

Several members of the committee favored the scheme as a matter of expediency under abnormal conditions. One member, Dr. McIntosh, however, was outspoken in his condemnation. "There is a principle involved," said he. "It is that Vancouver proposes to use capital for current expenses, and the crisis is not great enough for the city to take a chance on affecting its credit."

TWO INSTALMENTS.

Uxbridge Proposes to Collect Taxes in a New Way.

The town of Uxbridge, Ontario, is making a new departure in its method of tax collection. A by-law has been passed, to become operative next year, under which taxes will be collected in two instalments, the first falling due on July 1 and the second on December 1. A discount of 3 per cent. will be allowed on the first instalment, if paid when due, and a discount of 4 per cent. on the total taxes if paid in full on the July instalment. For those who do not pay on time, 3 per cent. will be added after July 1, and an additional 3 per cent. after the December instalment.

On Monday night the Quebec City Council passed the 1917-18 budget, which amounts to $1,550,000. At a previous meeting of the Finance Committee, an effort had been made to devise some means of increasing the revenues to meet an estimated expenditure of $1,700,000, but it was finally decided to keep the budget down to $1,550,000, which would be met by existing revenues.

Dunnville has just passed a by-law borrowing an additional $15,000 from the Canadian Bank of Commerce to meet current expenditures. It already borrowed $25,000 at the first of the year, and is within $10,000 of the amount borrowed last year.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

May 5, Renfrew, Ont.—$11,533.78, 6 per cent., 20 and 30-instalment bonds of the town of Renfrew.

May 5, Durham, Ont.—$5,000, 6 per cent., 20-instalment hydro-electric bonds of the town of Durham.

May 5, Township of Etobicoke.—$4,000, 6 per cent., 20-instalment, school debentures of the township of Etobicoke.

May 7, Wentworth County.—$72,000, 5 per cent., 20-instalment patriotic fund debentures of the County of Wentworth.

May 7, Cobourg.—$10,000, 5½ per cent., 10-instalment bonds of the Town of Cobourg.—Ben Ewing, Town Treasurer. (See announcement, page 12).

May 15, Niagara-on-the-Lake. — $14,964.78 in 5½ per cent. debentures of the town of Niagara, maturing in varying amounts from 1926 to 1937.

BY-LAWS PASSED OR DEFEATED.

Aylmer, Ont.—$22,000 for remodelling electrical distribution system to distribute electrical power to be supplied by the Hydro-Electric Power Commission and $7,000 for installation of electric-driven pump. Passed by the ratepayers, April 30.

Oakville, Ont.—$20,000 for extensions and improvements to the water and light systems, passed by council, April 23.

Windsor.—$60,000 for patriotic purposes, passed by council. April 25.

BY-LAWS TO BE VOTED ON.

May 7, North Bay.—$15,000 guarantee of the bonds of the J. P. Quinlan Manufacturing Co.

May 7, Alliston.—$32,000 to provide for the taking over of the Alliston electric light plant and repairing and improving same for the purpose of distributing electric power to be supplied by the Hydro-Electric Power Commission of Ontario.

May 14, Tilsonburg.—$10,000 by way of loan to the Tilsonburg Foundry & Machine Co., Limited.

May 15, Kincardine.—$20,000 to assist J. B. Watson to establish a furniture factory. Vote to be taken May 15.

May 21, Davidson, Sask.—$8,000 for the construction of a new school and $4,500 for power house improvements.

May 21, Mitchell, Ont.—$10,000 for the purpose of macadamizing certain streets and $400 for the purchase of a site for a knitting factory for A. Burritt & Co.

CONTEMPLATED BY-LAWS.

Ontario County.—$10,000 for bridges and other necessary county purposes. Will be considered at council meeting, June 2.

Port Hope.—$50,000 guarantee of bonds of the Port Hope Supply Co., of which $25,000 will be paid off on October 1, 1917, and $25,000 on October 1, 1918.

SASKATCHEWAN.

The following is a list of Debenture Applications granted by the Local Government Board from April 16, 1917, to April 20.

School Districts.—*Haig, $1,400; *St. Bascilian $500; Orange Valley $1,200; Dysart $6,000; Silver Springs, $1,200.

* These issues are being sold by The Local Government Board.

Rural Telephone Companies.—Huron, $17,000; Stewart, $8,500; Pearl Creek, $6,600; Brownlee Faulkton, $14,400; Fox, $5,200; Grain Belt, $4,000; North-West Smiley, $5,700; Muenster, $10,500.

BOND SALES.

$4,100 Canada Cement at 97¼ to 97; $500 Can. Felt at 95; $700 Cedar Rapids at 90; $5,000 Dom. Coal at 92¾; $1,500 Dom. Cotton at 98½; $6,000 Dom. Iron at 87; $2,000 Dominion Textile, Series C, at 99 to 98½; $6,000 Lake of Woods at 103; $14,600 Montreal Tram., Debs. at 75¼ to 75; $2,000 Ogilvie Flour at 103¾; $500 Price Bros. at 83; $200 Quebec Ry. at 68; $8,500 Rio at 81; $3,500 Sherwin-Williams at 100¼; $1,000 Steel of Can. at 99½; $4,000 Riordon at 97 to 96½; $1,000 N.S. Steel at 84¾; $3,000 Wayagamack at 84½ to 84⅛; $27,000 1st War Loan at 97½ to 97¼; $29,300 2nd War Loan at 96½ to 95¾; $223,700 3rd War Loan at 95⅞ to 94¾.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALE

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
April	20—Podola S.D., Sask.	Nay & James, Regina	....	......	$1,000	....	....
"	20—Carmen Silva S.D., Sask.	Goldman & Co., Regina	....	......	1,600	....	....
"	—Frobisher S.D., Sask.	Goldman & Co., Regina	....	......	2,500	....	....
"	20—Elmhurst S.D., Sask.	Goldman & Co., Regina	....	......	550	....	....
"	20—Fertile S.D., Sask.	John Kirby, Fertile	....	......	3,000	....	....
"	20—Willow Hill R. T. Co., Sask.	Town of Davidson Sinking Fund	7%	15-ins.	1,000	....	....
"	Tantallon R. T. Co., Sask.	H. O.Hara & Co., Regina	7%	15-ins.	8,000	....	....
"	20—Tetlock R. T. Co., Sask.	Nay & James, Regina	7%	15-ins.	6,500	....	....
"	20—Belfast R. T. Co., Sask.	Nay & James, Regina	7%	15-ins.	1,000	....	....
"	20—Glengarry R. T. Co., Sask.	Kerr, Flemming & Co., Regina	7%	15-ins.	1,500	....	....
"	20—Oronoco R. T. Co., Sask.	O. H. McQuay, Regina	7%	15-ins.	17,000	....	....
"	20—Morse, Town, Sask.	W. L. McKinnon & Co., Regina	7%	5-10-ins.	2,300	....	....
"	20—Young, Village, Sask.	W. L. McKinnon & Co., Regina	8%	10-ins.	1,200	....	....
"	28—Sandwich, Ont., local imp.	A. E. Ames & Co., Toronto	6%	10-15-ins.	43,694	....	....

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Government, Municipal and School Bonds

President. Hon. H. B. Rainville
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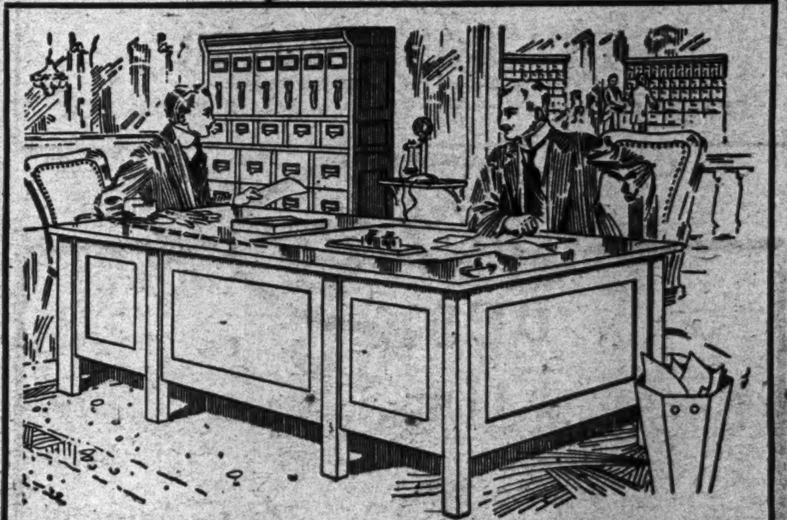

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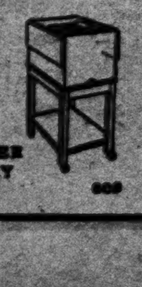

LETTER TRAY

309

Participating Life Policies Pay
IF THEY ARE MUTUAL POLICIES

The never-ending discussion—"Which is the More Economical?—Life Insurance With or Without Profits," may be summed up in a word—It depends on the profit-earning power of the company issuing them! Policies may be purchased in the Mutual Life of Canada either on the Participating or the Non-Participating Plan. The latter is cheaper at the outset, but we have found by long experience that the Participating Policy turns out in the end to be the cheaper. If the dividends are used to reduce the premiums, in a few years the premiums become less than those payable on non-participating contracts.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO
ASSURANCES, $109,645,581 ASSETS, $29,361,963 SURPLUS, $4,595,151

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AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
SURPLUS TO POLICYHOLDERS, $1,820,752.82
A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED.

NEW RECORDS

Results secured during the past year reaffirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

Municipal Bond Sales for 1916
COMPILED, REVISED AND TABULATED FROM OFFICIAL REPORTS
¶ A list of original purchasers, price and income basis of the Municipal Bonds sold in 1916, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically by States.
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Ask your Furniture Dealer about it, or write us direct.
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INVESTORS' INSURANCE NOTES

SUBSTANTIAL PROGRESS BY LIFE COMPANIES

1916 a Good Year for Canadian Companies in Various Respects.

GREAT GAIN IN ASSETS

Though Policies Issued Were Less, Loss by Surrender and Lapses Was So Much Smaller as to Make Large Gain in Total

As usual, the abstract of insurance company statements which was tabled in the House of Commons this week, is full of statistics of great interest to insurance men and those who follow insurance affairs. The POST has already, in its banking and insurance issue of two weeks ago, dealt quite freely with the returns of the fire companies. It but remains to discuss in more detail the figures of the life companies. Confining attention to the Canadian companies, and comparing 1916 results with those of 1915, some interesting developments may be pointed out.

The most significant change in the assets of Canadian life companies has been the change in the relative position of mortgages on the one hand and stocks and debentures on the other. From occupying first place in 1915, with a lead of nearly ten million dollars, mortgages have been relegated to second place and at the end of 1916 were approximately $17,500,000 behind bonds and debentures. The reasons for this change are pretty well known and have already been explained in these columns.

DISTRIBUTION OF ASSETS

	1916	1915
Real Estate	$ 14,308,118	$ 14,096,205
Mortgages	95,916,630	96,058,935
Loans on Collaterals	2,501,710	1,696,753
Policy loans	41,311,569	39,303,672
Bonds and Debentures	113,552,389	86,250,032
Stocks	12,846,000	18,107,238
Cash	3,680,358	5,159,429
Int. & Rents due	7,190,936	6,724,459
Outs'ding Prems.	6,635,346	6,562,725
Other assets	304,325	283,980
	$298,247,383	$274,243,433

The increase in policy loans of about $2,000,000 is not out of keeping, when the great gain in insurance in force is considered. There was a drop in the holdings of stocks which is to be accounted for by the effort to turn as much of the assets into bonds as possible. The other changes in the list of assets are not particularly significant.

There has been, not unnaturally, a heavy increase in unsettled claims, amounting to nearly $1,300,000. With so many war claims coming along and being carried over the end of the year, this amount is not at all out of the way. The net reinsurance reserve has been enlarged to cover the new business in force and is now nearly $250,000,000. The surplus, exclusive of capital, has grown by nearly $3,000,000, which makes a most satisfactory showing.

LIABILITIES.

	1916	1915
Unsettled Claims	$ 3,676,158	$ 2,382,635
Net reinsurance reserve	246,493,986	227,562,062
Sundry	8,462,277	7,571,712
Surplus (ex. of capital)	39,614,962	36,715,309

Turning to the income and expenditure of the life companies, it is gratifying to note that, while death claims paid were larger by $1,500,000, other payments were smaller, and the net result was that total expenses were about on a par with those of 1915. The premium income showed a gain of over $3,000,000, and interest and dividends were enlarged by $1,500,000.

CASH INCOME OF CANADIAN CO'S.

	1916	1915
Net premium income	$ 41,781,806	$ 38,492,313
Consideration for annuities	2,332,401	1,699,597
Interest, rents and dividends	16,000,694	14,512,703
Sundry	301,405	133,224
	$60,416,307	$54,837,839

PAYMENTS TO POLICYHOLDERS

	1916	1915
Death claims	$ 9,823,860	$ 8,372,107
Matured endow-	3,913,174	4,531,801
Paid to annuitants	1,546,506	1,454,359
Paid for surrend.	5,367,854	6,338,247
Dividends	3,479,207	5,211,748
	$24,130,603	$25,908,264

EXPENSES.

	1916	1915
Taxes	$ 679,030	$ 730,644
Investment Expenses	482,318	468,801
General exp.	11,091,805	10,122,962
	$12,253,154	$11,332,407
Dividends to shareholders	510,795	690,436

The exhibit of policies issued and terminated contains several noteworthy features. For instance, while the value of new policies issued was nearly $10,000,000 less, the terminations were $38,000,000 less, which produced a favorable showing in the total business in force. Of the new policies issued, life and term policies were less, but endowment policies were greater—a circumstance indicating that the general character of the business done was better.

DETAILS OF POLICIES ISSUED AND TERMINATED IN CANADA

	1916	1915
New policies issued	$158,404,533	$167,878,847
Old policies revived	4,733,700	4,556,696
Old policies changed	5,912,837	72,486
Terminations:—		
By Death	$ 9,058,116	$ 6,674,686
By maturity	3,037,023	3,982,074
By expiry	2,668,606	2,132,705
By surrender	20,238,884	21,170,691
By lapse	44,883,346	59,909,314
By change	6,818,799	29,694,937
Not taken	13,217,599	14,539,124
Total	$ 99,922,373	$138,097,531
Gross in force	$917,419,017	$848,457,172

New Policies Issued.

	1916	1915
Life	$116,050,598	$122,316,550
Endowment	31,159,020	28,957,456
Term and other	10,746,933	15,066,365
Bonus additions	447,982	1,478,477
Total	$158,404,533	$167,818,848

The reduction in surrenders and lapses, as indicated in the foregoing, was a hopeful sign, as was also the fact that of policies not taken, the value was reduced by over a million dollars.

BUSINESS OUTSIDE CANADA

Canadian Life Companies Make Big Gain in This Item

While Canadian life companies increased their business in Canada from $121,033,310 to $138,201,281 between 1915 and 1916, these figures do not represent the total gain effected in the business of the companies for the year. There are nine companies, which report to the Department of Insurance business done outside of Canada, and in the case of four companies at least, this foreign business forms a very considerable percentage of the total business.

It is gratifying to observe, as a glance at the accompanying table shows, that the gain recorded in domestic business has had a satisfactory counterpart in business done outside Canada. From losing roughly $2,000,000 a year in this department during 1913, 1914, and 1915, companies have experienced a gain in 1916 of over $10,000,000. Adding this gain to the gain in domestic business, and it is found that Canadian life companies enjoyed an expansion of business during 1916, aggregating over $27,500,000.

AMOUNT OF NEW POLICIES TAKEN UP OUTSIDE CANADA.

Amount of New Policies Taken Up Outside Canada	1913	1914	1915	1916
Canada Life	$4,587,382	$4,810,762	$4,466,766	$6,128,902
Confederation	3,416,060	3,668,997	2,309,166	3,292,152
Great West	619,913	623,260	735,401	487,522
Imperial	857,400	636,874	466,700	742,992
Manufacturers	4,612,520	4,829,989	3,458,536	4,519,327
Mutual	114,000	68,500	58,000	128,500
North American	734,932	63,500	54,500	41,750
National	85,250	784,878	802,303	687,338
Sun Life	*18,656,356	*16,299,038	17,012,579	23,757,433
	$33,683,813	$31,785,798	$29,363,951	$39,785,916

*Including the business of the Federal Life.

The nine companies have in force in business outside Canada a grand total of $236,429,728, which is approximately one-fourth of their entire business. The amount carried by each company is exhibited in the following table:—

Table showing percentage which business in force outside Canada bears to total business in force.

	Total	Bus. in force in other Countries
Canada Life	$165,366,127	$49,310,450
Confederation	74,750,841	15,237,060
Great West	131,716,839	3,019,380
Imperial	52,428,759	4,355,719
Manufacturers	87,527,995	26,511,914
Mutual	107,412,273	862,914
National	22,507,496	273,500
N. American	58,486,367	6,018,808
Sun Life	281,434,700	130,839,983
	$981,631,397	$236,429,728

A PRODUCERS' CONTEST

Interesting Scheme of American Company to Promote Business

One of the American agencies of the Equitable of New York has started a contest which might be profitable with some of the agency forces in Canada. The agent who writes at least one application a week for the greatest number of consecutive weeks wins the prize. No matter how many applications are written in one week another must be secured in the following week, except that an agent may redeem himself by writing three applications the week immediately following the week in which he failed to score.

The London City Council has struck the 1917 tax rate at 34 mills, with one mill discount for prompt payment.

A UNIFORM WAR RISK WANTED BY U.S. COMPANIES

Big Meeting of Life Company Representatives Held in New York.

COMMITTEE TO DRAFT POLICY

Efforts Will be Made to Save Fighters from Being Excessive Burdens and to Spread the Load as Widely as Possible

Speaking at a mass meeting of life insurance company representatives held in New York last week to discuss war risks, George B. Woodward, of the Metropolitan Life, stated that, after computing deaths reported to the company on Canadian war policies, he had found that the risk had not been as great as had been expected. A representative of the Aetna Life, which has also insured many Canadian soldiers, said that his company had found the risk not as dangerous as had been thought, though he did not believe that a sufficient number of casualties had been reported on which to base a conclusive opinion.

The meeting was convened at the instance of the emergency committee of state insurance commissioners, and after a lengthy discussion, it was resolved to appoint a committee to confer with the commissioners and frame a uniform insurance rider to meet war conditions.

Uniform Policies

In the last month the larger American companies have held meetings, and the New York Association of Life Insurance Presidents has discussed the problem. Many of the companies have announced their plans, which in the matter of rates have been more or less uniform. Other questions besides rates have been cropping up, and are particularly troublesome to the companies of lesser magnitude and to concerns in other States operating under different insurance laws.

Fear of competition or perhaps of the charge of lack of patriotism has caused men in the life insurance field in the United States to realize that their financial safety lies in the adoption of a uniform policy which will benefit the men who are to go to the front, protect the old policyholders and at the same time save the companies from disaster.

Another Difficulty in Rates

One of the problems confronting the insurance men was the difficulty in establishing the rate for different branches of military service, particularly for men entering the aviation and submarine services. It was also declared that there was a large element of risk, as shown by the European war, in insuring the personnel of the Red Cross or ambulance services, which, however, depended greatly on the individuality of the man insured.

The suggestion was made that it was not fair to make the man who was willing to go to the front to fight for his country bear the burden of expense alone. A speaker struck a harmonious note when it was suggested that instead of taxing the soldiers with extra premiums, a happy medium be reached by making every man of military age share the burden, whether sent to the front or not. Nothing decisive was done with this suggestion, but it is believed that when the committee reports on a uniform measure, this will be found to be one of the war measures adopted.

May Be Small Risk

Other speakers seemed to think that the war risk of the soldier in the United States was going to be very small. The insurance men were told that while the companies must be patriotic, the old policyholders must not be forgotten. Some of the representatives expressed the opinion that as one-third of their policies were held by men of military age who bought them before the war, the companies would be facing a serious risk if the universal service bill was passed and if these men were sent to the front.

Various theories were advocated for the protection of the companies themselves, the most acceptable of which seemed to be the suggestion of meeting war deficits out of the surplus of the companies and the withholding of dividends until after the war.

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - - $ 5,000,000.00
Losses paid since organization over - - - - - - - - [illegible]
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, John Aird, Robert Bickerdike, M.P. (Montreal), Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. A. Robert (Montreal), E. R. Wood.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

Four Features
each of importance to those considering Life Insurance, are clearly shown in the report for 1916 of The Great-West Life Assurance Company.
1. The Strength of the Company—the unquestioned excellence of the investments and their profitable nature.
2. The Prominence of the Company—for ten successive years leading all Canadian companies in the amount of business written in Canada.
3. The Economy of the Company—exceptionally low expense rates.
4. The Popularity of the Company—clearly proven by the record business written and the record business gained.
The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg
Ask for a copy of the Report.

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P. (Montreal), John Aird, Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, E. A. Robert (Montreal), E. R. Wood.
Assets, Over - - - - - - $ 2,700,000.00
Losses Paid Since Organization, Over - - - - - - - - [illegible]

The UNION BANK OF AUSTRALIA, Ltd
Established 1837. Incorporated [illegible]
—CAPITAL:—
AUTHORIZED and ISSUED .... [illegible]
Paid-up Capital..£2,000,000
Reserve Fund.....£1,960,000 Together .... [illegible]
Reserve Liability of Proprietors....... [illegible]
Total Capital and Reserve .... [illegible]
Head Office: 71, CORNHILL, LONDON, E.C.
DIRECTORS.
HENRY P. STURGIS, Esq. (Chairman).
Arthur P. Blake, Esq.
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.
Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.
The Bank has 41 Branches in VICTORIA, [illegible] in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, [illegible] in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits [illegible]
Head Office
St. Andrew Square, Edinburgh.
Cashier and Gen. Manager, Adam Tait. Secretary, A. K. Wright.
London Office, 3 Bishopsgate, E.C.
Wm. Wallace, Manager.
Glasgow Office, Exchange Square.
A. Dennistoun, Agent.
167 Branches throughout Scotland
Banking business of every description transacted. Accounts opened and agency business undertaken for Foreign and Colonial Banks and other financial establishments. Bills, Cheques and other documents collected. Drafts, Circular Notes and Letters of Credit issued—available throughout the world. Cable transfers are also made. Deposits received at interest repayable at call or at notice. Correspondence invited.

Famine and World-Hunger Are On Our Threshold

ONTARIO

> "——— in the nation's honour, heed! Acquit yourselves like men. As workers on the land, do your duty with all your strength!"
>
> —Lloyd George.

THE CRISIS

France, England and Italy in peace times did not depend upon America but on Russia, Roumania and Bulgaria for most of their breadstuffs. With these sources closed the crisis of the hour demands that we see that our soldiers and the Motherland are fed.

Everyone in Great Britain has been put on limited rations: meat is prohibited one day a week and the making of cakes and pastry has been stopped. Further restrictions are anticipated.

Bread has gone to 28c per four-pound loaf in England, for the first time since the Crimean War.

Lord Devonport, British Food Comptroller, proposes taking authority to search the houses of Great Britain to prevent food hoarding.

Forty million men, less the casualties, are now on active service.

Twenty million men and women are supporting them by service in other war activities.

In the last analysis, the land is bearing this burden.

One million tons of food-carrying ships have been torpedoed since February 1st, 1917.

Germany's hope for victory is in the starvation of Britain through the submarine.

Canada's sons will have died in vain if hunger compels the Motherland's surrender.

The land is waiting—the plough is ready—will we make the plough mightier than the sword?

Will we help the acres to save the flag?

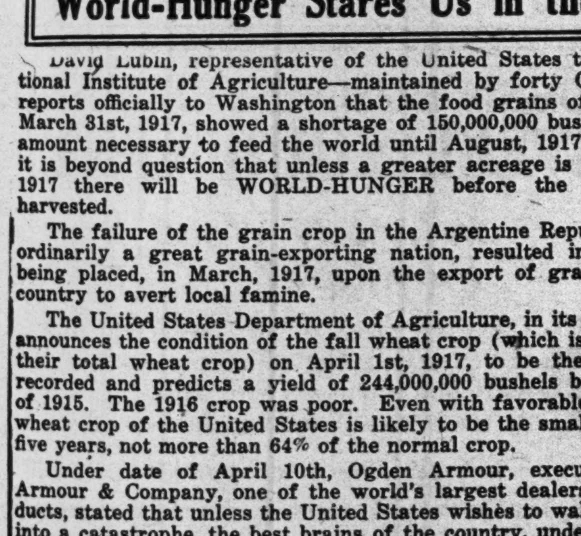
World-Hunger Stares Us in the Face

David Lubin, representative of the United States to the International Institute of Agriculture—maintained by forty Governments—reports officially to Washington that the food grains of the world on March 31st, 1917, showed a shortage of 150,000,000 bushels below the amount necessary to feed the world until August, 1917. He declares it is beyond question that unless a greater acreage is put to crop in 1917 there will be WORLD-HUNGER before the 1918 crop is harvested.

The failure of the grain crop in the Argentine Republic, which is ordinarily a great grain-exporting nation, resulted in an embargo being placed, in March, 1917, upon the export of grains from that country to avert local famine.

The United States Department of Agriculture, in its official report, announces the condition of the fall wheat crop (which is two-thirds of their total wheat crop) on April 1st, 1917, to be the poorest ever recorded and predicts a yield of 244,000,000 bushels below the crop of 1915. The 1916 crop was poor. Even with favorable weather, the wheat crop of the United States is likely to be the smallest in thirty-five years, not more than 64% of the normal crop.

Under date of April 10th, Ogden Armour, executive head of Armour & Company, one of the world's largest dealers in food products, stated that unless the United States wishes to walk deliberately into a catastrophe, the best brains of the country, under Government supervision, must immediately devise means of increasing and conserving food supplies. Armour urged the cultivation of every available acre. The food shortage, he said, is world-wide. European production is cut in half, the Argentine Republic has suffered droughts. Canada and the United States must wake up!



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Hunger Tightening His Grip

—New York Evening Mail

People are starving to-day in Belgium, in Serbia, in Poland, in Armenia, in many quarters of the globe.

Famine conditions are becoming more wide-spread every day.

On these alarming food conditions becoming known, President Wilson immediately appointed a Food Comptroller for the United States. He selected Herbert C. Hoover, to whom the world is indebted as Chairman of the International Belgium Relief Commission for his personal direction of the distribution of food among the starving Belgians.

Mr. Hoover is already urging sacrifice and food restrictions, for, as he states, "The war will probably last another year and we shall have all we can do to supply the necessary food to carry our Allies through with their full fighting stamina."

The Problem for Ontario

The land under cultivation in Ontario in 1916 was 365,000 acres less than in 1915.

Consider how much LESS Ontario produced in 1916 than she raised in 1915:

	Year	Acres	Bushels	1916 DECREASE Acres	1916 DECREASE Bushels
Fall Wheat	1916	704,867	14,942,050	105,315	9,794,961
"	1915	811,185	24,737,011		
Barley and Oats	1916	529,886	12,388,969	24,432	7,504,160
" "	1915	552,318	19,893,129		
Peas and Beans	1916	95,542	1,243,979	31,401	799,070
" "	1915	126,943	2,043,049		
Corn	1916	258,332	12,717,072	51,441	9,043,424
"	1915	309,773	21,760,496		
Potatoes and Carrots	1916	139,523	7,408,429	34,411	5,858,594
" "	1915	173,934	13,267,023		
Mangel-Wurzels	1916	42,793	9,756,015	8,006	15,600,308
and Turnips	1915	50,799	25,356,323		

Other crops show as critical decline.

Reports from Ontario on the condition of fall wheat for 1917 are decidedly discouraging.

As there is an average of not more than one man on each hundred acres of farm land in Ontario, the prospects indicate even a still smaller acreage under cultivation in 1917 unless extra labor is supplied.

—Photo from London (Eng.) Bystander.

A Fifteen-year-old Girl at Work.

Miss Alexander Smith, one of the thousands of British women workers on the land. She recently won an All-Comers' Champion prize for plowing.

Food Production is the Greatest Problem the World Faces To-day

Owing to destruction by submarines, ocean ships are scarce.

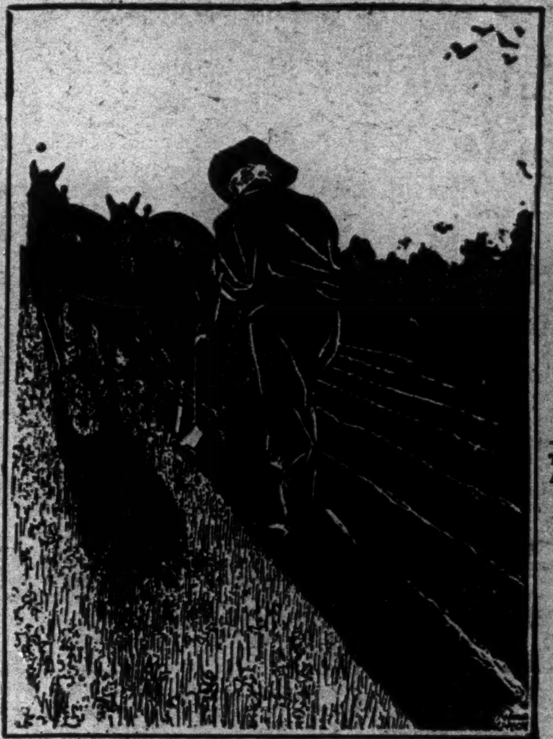
It is much easier to protect shipping between Canada and England than on the longer voyages from India or Australia.

One vessel can make twice as many trips from Canada to Britain as from India, and four times as many as from Australia.

Therefore, every ton of food stuffs grown in Canada is worth to the Motherland two tons grown in India or four tons grown in Australia.

Why the Call to Canada is So Urgent

If this country does not raise a big crop this year, not only will the people of Canada suffer but the Motherland and her Allies will suffer and their military power will be weakened if not paralyzed. Therefore, the right solution of the present war problem comes back to the farm, as to a foundation upon which our whole national and international structure must be built and maintained.



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The Second-Line Trenches

—McCay in The New York American.

The farmers know that they are the last reserve, and that the soil on which crops are grown is the strategic ground on which wars are decided. To their care is entrusted the base of supplies.

To enable the farm to do the work two factors are essential. The *first* is Time. Whatever we are to do must be done at once. Nature waits for no man. The *second* is Labor. Many farmers cannot plant the acres they would because they cannot get the necessary help. Many are afraid to increase their acreage because they fear they would not be able to cultivate and harvest an unusual crop after they have raised it. If they are to do the work that is essential for them to do, the last man in each city, town and village must be mobilized at once.

Every man not on Active Service can help. In every city, town and village are men who, by their training on the farm, or by their present occupation, can readily adapt themselves to farm work. These can render no greater service to the Empire at the present time than by answering the call of the farm. Capable men and boys willing to learn should not allow their lack of farm experience to stand in the way.

Can the employer render a more signal service in this crisis than by encouraging these men to help the farmer to cultivate every available acre, and by making it easy for them to go?

Ontario's farm lands are waiting—the implements are ready—the equipment is complete—the farmer is willing—all he needs is labor.

So short is the world's food supply that without increased production many in Canada must go hungry, and even with enormously increased production we cannot expect cheap food. The world is waiting for our harvest.

If peace should be declared within a year, the food conditions will be no better, for the accumulated hunger of the Central Empires must be met. This will absorb a large part of the world's supply.

We do not know when this war shall cease. It is endless—its lengthening out has paralyzed the thought and conception of all men who thought about it and its possible time of conclusion. Three months—six months, we said; nine months, a year, we said; and yet two years and eight months have passed their long dreary and sanguinary length and there is no man who can tell how long this gigantic struggle may yet last.

Lloyd George, in a letter addressed to farmers throughout the Empire, said:

> *"The line which the British Empire holds against the Germans "is held by those who WORK ON THE LAND as well as by those "who fight on land and sea. If it breaks at any point it breaks "everywhere. In the face of the enemy the seamen of our Royal "naval and mercantile marine and the soldiers gathered from "every part of our Empire hold our line firstly. You workers "on land must hold your part of our line as strongly. Every "full day's labor you do helps to shorten the struggle and brings "us nearer victory. Every idle day, all loitering, lengthens the "struggle and makes defeat more possible Therefore, in the "nation's honour, heed! Acquit yourselves like men, and as workers "on land do your duty with all your strength!"*

So, for the honor of Canada's soldiers in France—and for the glory of our New-born Nationhood—let it be said of Ontario's citizens that, in the hour of our greatest need, their response was worthy of their sons.

We owe a great debt to those who are fighting for us.

Organization of Resources Committee, Parliament Buildings, Toronto

Chairman: His Honour, Sir John S. Hendrie, K.C.M.G., C.V.O., Lieutenant-Governor of Ontario; Vice-Chairmen: Honourable Sir William H. Hearst, K.C.M.G., Prime Minister of Ontario; N. W. Rowell, Esq., K.C., Leader of the Opposition; Secretary: Albert H. Abbott, Esq., Ph.D.

WE MUST PRODUCE MORE FOOD

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Particulars on request.
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INVESTMENT BANKERS
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6% Per Cent.
Debentures
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Write for information.
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Anglo-French War Loan
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WAR LOAN BONDS
We shall be pleased to give quotations for the purchase or sale of these Bonds.
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Offices Throughout the Civilized World.
We Present a Record—Not a Prospectus.
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

SMALL GARDEN AND MENACE OF WORLD FAMINE

The Duty of the Individual to Cultivate the Back Lot.

A UNIVERSAL FOOD SHORTAGE

Statistics Indicate That War Activities and Poor Crops Are Creating Conditions of a Very Serious Character.

The man who is wondering whether it is worth his while to raise winter vegetables on his suburban lot, may well pause and ponder further the actual situation. As a subject for thought these few hints might be suggested:

A world famine is not the dream of a romancer. It is believed, on the authority of men who are in the best position to know, to be an actual possibility that may well become a probability if measures, far-seeing and comprehensive measures, are not adopted to encourage in every way possible the production of actual food.

Lloyd George in his address to the farmers of the Empire, points the moral in these vivid words:—

"The line which the British Empire holds against the Germans is held by those who work on the land as well as by those who fight on land and sea. If it breaks at any point it breaks everywhere. In the face of the enemy the seamen of our Royal naval and mercantile marine and the soldiers gathered from every part of our Empire hold our line firstly. You workers on land must hold your part of our line as strongly. Every full day's labor you do helps to shorten the struggle and bring us nearer victory. Every idle day, all loitering, lengthens the struggle and makes defeat more possible. Therefore, in the nation's honor, heed! Acquit yourselves like men, and as workers on land do your duty with all your strength!"

David Lubin, representative of the United States to the International Institute of Agriculture, reports to Washington that the food grains of the world on March 31, 1917, showed a shortage of 1,500,000,000 below the amount actually necessary to feed the world until August, 1917. He states emphatically that unless a greater acreage is put in this year there will be a world hunger before the 1918 crop is harvested.

In the year 1916, the crop of corn in Canada decreased 8,086,000 bushels over the previous year; potatoes 1,476,000 bushels, and mangels and turnips decreased 23,007,000 in the same period. In a time when food is the crucial element that is an effective way of assisting in losing the war.

Food Controller in U. S.

When the serious condition of world food became thoroughly recognized, President Wilson appointed a food comptroller for that country, choosing for that position Herbert C. Hoover, who since the beginning of the war has been chairman of the International Belgian Relief Commission, and was consequently conversant with the situation.

Mr. Hoover in a recent speech made the statement that the average man consumed 25 per cent. more food than he required, and that another 25 per cent. was wasted in the kitchens of the country. He urged the use as far as possible of fish, fruit, potatoes, vegetables, poultry, and dairy products that cannot be extensively exported, and save the exportable grains and staples such as sugar, lard and cured meats. "We can," he stated, "substitute corn bread for wheat bread, we can give up cakes and confectionery. To town dwellers, I would say: When not traveling eat at home. Part of the food consumed in public places is superlative. Every person who goes out to a night supper is wasting that much food."

The Man With a Lot.

These illustrations should be sufficient to point the need.

But to get down to the case of the man and the suburban lot and where he comes into this discussion. Here are a few prices on commodities that may well be grown in such a garden. They are the wholesale prices of these commodities for the middle of February. The retail price would be somewhat higher, but the same percentage would obtain:—

	1914	1915	1916	1917	Increase 1914–1917
Beans, bush.	$2.50	$3.10	$4.50	$7.50	200%
Peas, bush.	2.15	3.10	3.50	3.90	90+
Onions, bag	4.00	2.25	3.50	8.00	100%
Beets, bag	1.25	.65	1.25	2.00	60%
Carrots, bag	1.25	.60	.75	1.75	40%
Parsnips, bag	1.25	.60	1.00	2.50	100%
Turnips, bag	1.00	.40	1.00	.90	10%
Cabbage, bbl.	2.50	1.00	1.00	4.50	80%
Potatoes, bag	1.00	.75	2.15	3.50	250%
Celery, doz.	1.15	1.20	1.50	1.90	67%

Note the startling nature of the percentage increase of the year 1917 over the year 1914, which was not the lowest year. Note the abnormally disproportionate advance in the last year.

Confronted with such figures as these, illustrating the dangerous slimness of the food supply, the unintelligent are inclined to shout, "The Government is to blame. It is letting all our food be sent abroad. An embargo would end these war prices."

The utter folly of such utterances are shown by export and import figures. Imports for the year ending February, 1916, $2,177,308, for the year ending February, 1917, $3,913,334. In the same period as the last item, our exports of these lines totalled $2,047,989. We have imported nearly double what we have exported, wherein, then, would that small item of export effect the situation. True, in many lines of foodstuffs, Canada has provided her share, but in these commodities referred to Canada has not only not fed itself, when every condition in Canada is favorable for growing these commodities, but has actually become a debtor, has been a drag upon the world's food supply.

Now, the gist of this argument is that these commodities referred to are the commodities that can be grown in every backyard garden to the limit of its capacity. The net output of each garden may not be great, but the total should take Canada out of the debtor class. The people ought at least to be able to feed themselves.

The home gardener is not faced with the difficulties that face the farmer; he has not to worry about labor, he provides it himself. He expends only excess energy. If men refuse to till what soil they have, why waste worry on them, no matter what heights prices soar to? The world is approaching a pass where man must dig or starve.

MARITIME COAL HAD GOOD YEAR

Total Earnings Were $225,000, as Compared With $146,000 the Previous Year.

The Maritime, Coal, Railway & Power Company reports total earnings of $225,325 for the year ending February 28. This was after deducting all expenses incidental to operations, including those for ordinary repairs, and maintenance of plants, and compares with total earnings of $136,192 the previous year. The output of the mines increased, while the increased prices for the product contributed to the increase in the company's earnings. The railway earnings also showed a satisfactory increase, but the electrical department of the company's business showed a deficit of $8,000 for the year.

The net earnings, after writing off $32,920 for depreciation, $1,984.22 for mining rights, $5,320.95 for sinking fund, and $8,749.76 for discount on securities account, were $176,349.53. Bond interest took $97,682.50, leaving a surplus of $78,667.03, which added to the balance brought forward from the previous year, makes a total of $144,022.69. Out of this the company paid dividends on the preferred stock up to August 31, last, of $3,310.99, and the balance at the credit of profit and loss account to carry forward to the coming year, is $140,711.70. This is an increase of $75,356.04 during the year.

A dividend of three and one-half per cent. has been declared on the preferred for the six months ending February 28, so that the total distribution for the year on the preferred has been seven per cent.

It was pointed out in the report of the president, William Hanson, that the company was unable to take full advantage of the increase in prices owing to the fact that a large portion of the output had been contracted for with the Canadian Government railways and other customers at prices that prevailed a year ago. The earnings of this department should, however, improve during the coming year. One of the great problems of the company was to get sufficient labor. The situation in this respect was causing the company considerable anxiety, said the president, and continued:—

During the year we opened up a new mine, the St. Georges, at Chignecto, which produced up to February 28 last, 2,583 tons. We have also leased from the Minudie Company their abandoned Kimberly slope which is adjacent to the eastern part of our Joggins areas and through which we obtain access to our coal seam in that district. Mining in this pit was only started about the first of March last, but it is now producing at the rate of from 100 to 150 tons per week. We hope to increase the output from these two new mines very considerably during the coming year and we are looking for a total output from the three mines of about 250,000 tons.

The railway earnings show a satisfactory increase, due to the increased output at Joggins. During the year a considerable sum has been spent on improvements to the roadbed, bridges, etc., the most of which has been charged to operating. In order to safely overtake the increasing traffic your directors consider that further expenditures in this direction will be necessary.

The electrical department of the company's business has not shown the improvement that your directors anticipated, and as a result the Canadian Electric Co., subsidiary of this company, shows a deficit of about $8,000 in the year's operations.

"Our reserves, including those for depreciation and bad debts, now stand at $184,532.21, as compared with $144,114.48 last year, the increase being $40,417.73.

The total assets of the company are placed at over $4,000,000, of which amount $56,000 represents investments. Under current assets, cash on hand amounts to $120,746, and book debts, the greater part of which is Canadian Government railway account, of $196,031.

The following were elected directors for the ensuing year: Wm. Hanson, president; A. E. Dyment, vice-president; Alex. McLaurin, D. W. Campbell, Hon. Wm. Mitchell, W. H. Tottie, G. Ratcliffe Hulme, and W. L. Madgen.

FINE SHOWING OF THE TORONTO PAPER COMPANY

Earnings for Past Year Much Greater Than for Previous Year.

PRODUCTION WAS ENLARGED

Directors Have Been Buying up Bonds—Substantial Appropriation Was Made for Depreciation Reserve

Recent activity in the stock of the Toronto Paper Mfg. Co., which carried the price up several points, has been justified by the excellent showing made by the company during its last fiscal year, which closed on March 31. The annual report issued this week records earnings for the year of $212,794, which are nearly three times in excess of the earnings for the previous year, and by far the largest in the history of the company.

In his statement to the shareholders, R. S. Waldie, the president, says: "In spite of freight embargoes, and other difficulties in obtaining supplies, and also in spite of the high cost of both labor and material, the mill has been kept running continuously and profitably. There has been a very brisk demand for our product and your directors therefore decided to instal an additional papermaking machine, and you will be glad to know that it was put into successful operation during the month of February. This gives us four machines with a daily output of about thirty tons of book, writing, bond, and ledger papers.

"Our pulp mill, which is an exceptionally valuable asset now when the price of pulp is high, has a daily capacity of over ten tons, which, of course, is all used in our own mill. All of our product is sold in Canada.

"You will note that your directors have purchased $61,500 of the company's bonds, which we consider not only a profitable investment, but one that greatly strengthens the financial position of the company."

Assets of the company have been increased during the year from $1,498,349 to $1,692,926. The valuation of land, buildings, power rights, good will, etc., has been reduced from $823,796 to $791,796. On the other hand, machinery, tools, and fixtures are valued at $481,541, as against $422,723 in 1916. Bills and accounts receivable are up from $134,836 to $160,915, while bonds purchased and held by the company stand at $55,227.

Current liabilities have been enlarged from $52,701 to $101,336, encounts payable standing at $92,235, as compared with $44,135 a year ago. The depreciation reserve has been increased by an addition from profits of $25,000, and now stands at $150,000.

The profit and loss statement shows an increase in the credit balance of $120,000. Out of the earnings of $212,794, bond interest of $29,352 and dividends of $37,500, were paid, and an appropriation of $25,000 for depreciation reserve was made. The progress of the company since the present Board took office is shown in the following comparative figures:—

Yr's earn.	$75,692	$58,761	$75,871	$212,794
Bond int.	30,000	30,000	30,000	29,352
Dividends	50,625	11,250	.....	37,500
F's & ad..	14,470	4,411	.....	....
Dep. Res.	.....	5,857	10,000	25,000
Balance.	$27,534	$34,777	$70,648	$191,590

BRANDON LAND.

A meeting of the directors of the Brandon Land Company will be held in Montreal in the near future, to elect a successor to the late Senator Baird as president, and to decide on what action will be taken with reference to the properties of the company in the West. The purchaser has been unable to complete his payments, and the company will probably have to take foreclosure proceedings.

THE BANK OF TORONTO
Dividend No. 143
Notice is hereby given that a *Dividend of Two and Three-quarters Per Cent.* for the current quarter, being at the rate of *Eleven Per Cent. per annum,* upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the 1st day of June next, to Shareholders of record at the close of business on the 14th day of May next.
By order of the Board,
THOS. F. HOW,
General Manager.
The Bank of Toronto, Toronto,
April 25th, 1917.

THE HOME BANK OF CANADA
ORIGINAL CHARTER 1854
NOTICE OF QUARTERLY DIVIDEND
Notice is hereby given that a Dividend at the rate of five per cent. (5%) per annum upon the paid-up capital stock of this Bank, has been declared for the three months ending the 31st of May, 1917, and that the same will be payable at the Head Office and Branches on and after Friday, the first day of June, 1917. The Transfer Books will be closed from the 17th day of May to the 31st day of May, 1917, both days inclusive.
By Order of the Board, J. COOPER MASON,
Toronto, April 24th, 1917. Actg.-General Manager.

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